

THE TIMES  
Tomorrow

Days of wine...  
Roger Scruton on the virtues of claret versus burgundy

...and Roses  
Peter Ball reports the Yorkshire versus Lancashire match

China...  
Deng Xiaoping and his cult

...dolls  
Georgina Howell on the fashions of filmland

Hard line...  
Russia is cracking down on rock music. Richard Owen reports

...software  
Computer Horizons on a British challenge to the American giants

Healthy...  
Alternative medicine - a new way to look at illness

...and wealthy  
State schoolchildren's view of their privileged public school brothers

## Sri Lanka claims coup plot foiled

President Jayewardene of Sri Lanka has claimed that he thwarted a plot, starting with race riots, to topple him and install a left-wing military dictatorship. The information was said to come from a group which rose against the previous government

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**Synagogue blast**  
A bomb exploded in an empty Johannesburg Synagogue yesterday in an apparent unsuccessful attempt on the lives of President Viljoen of South Africa and Mr Elisha Lankin, the Israeli ambassador, who were due to attend a commemorative service.

### Sun apology

The Sun today apologized to Mrs Marcia McKay, widow of one of the two Falklands VCs and to its readers following a Press Council censure over a "deplorable, insensitive deception on the public". Council report in full, page 4; Sun apology, *The Papers*, back page.

### Police search

Police will search the family home of Dr and Mrs Robert Jones today. Dr Jones has been questioned further about his account of his wife's disappearance. Earlier report, page 3

### Pilot defects

The pilot of a Chinese MiG21 defected to South Korea setting off air raid warnings and stirring fears of a North Korean attack

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### State cash study

The Government is looking at plans to allow state industry to raise funds privately. It is also considering the £3bn sale of 51 per cent of British Gas. Page 13

### Nuclear hitch

Britain's newest nuclear power station, at Hartlepool, has been closed because of a water leak, but the CEGB says there is no danger

Page 2

### P&O statement

Lord Inchcape, chairman of P&O, will make a statement today after growing speculation that he will be replaced by Mr Jeffrey Sterling, his deputy

Page 13

### Radio switch-off

Britain's commercial radio stations are the main casualties of an apparent decline in radio listening

Page 3

### Bank power

The shift in power at the Bank of England after the appointment of Mr Robin Leigh-Pemberton as governor is examined in the first of a series on City institutions

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**Leader page 9.**  
Letters: On prisons, from Mr M Wright, and Professor J E Thomas; jobs, from Mr R W Davis and Mr J Chaloner  
Leading articles: Green belt; Lebanon; Poland  
Features, pages 6-8.

A private life for the economy: Fear and suspicion in "God's country"; The wrong way for London Transport; Bernard Levin on Latvia's plight. Spectrum: Alternative medicine. Modern Times: The busking business. Obesity, page 10.  
Dr Cecil G Teall, Professor James Hancock

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## Britain will stay firm in currency turmoil

By Frances Williams and Christopher Thomas

The British Government will stand by its "bands off" policy towards sterling in what promises to be a further bout of turmoil on foreign exchange markets after the unprecedented rise of the dollar to an all-time high against the pound last week.

Ministers see no reason for British interest rates to rise to protect the pound. This view is likely to be reinforced if, as expected, tomorrow's British money supply and government borrowing figures for July show a big improvement on the poor June figures.

Nor do they intend at present to join the concerted intervention by European and Japanese central banks to stop the dollar's rapid climb against virtually all other currencies - a move which last week met with little success despite their pumping of some \$2bn into the foreign exchange markets.

Until this intervention put pressure on sterling, the pound had clung to the dollar's coat tails, gaining ground against the European currencies and the yen and hurting the competitiveness of British industry.

With Europe now taking more than half Britain's exports, a high pound would put at risk the still uneven and fragile recovery. In these circumstances, officials argue that efforts to bolster the pound's value against the dollar - and hence other currencies - would scarcely be appropriate, even though a fall in the pound will inflate the cost of imported materials.

## Irish police shoot four in ambush

Associated British Foods, which operates Fine Fare supermarkets.

But Mr Weston, aged 42, speaking at the Guards polo club in Windsor where he had been playing alongside the Prince of Wales, dismissed the kidnap motive.

"I would think that is a very remote possibility," he said. "I would imagine it was a theft attempt and they were trying to knock off the house."

He said he had not lived in the house for 10 years and seldom visited it, the last time being five or six months ago. "I am a resident in Canada, and have been for 10 years."

Mr Weston said he had heard of the attack on the 1pm radio news. To the surprise of his friends he went ahead with the polo match, leading his own team, the Maple Leafs, and immediately started another score as he fell badly.

He lay motionless for several minutes after being thrown, and was taken by ambulance to a first aid centre before being driven away by his wife, Hilary, in a red Mercedes. "He has been very lucky, but do not worry, he is fine", she said.

President Manno Koivisto of Finland declared the championships open. He won cheers from the crowd by reading a speech in Finnish.

Reports and results, page 22

Mr Galen Weston talking to a policeman yesterday at Windsor where he played in a polo match.

By Lucy Hodges, Education Correspondent

Exeter University in Devon is so concerned about its public school image that it has held an inquiry, which recommended that more effort be made to attract students from state schools.

The university, set in beautiful grounds on the outskirts of Exeter, has always been popular with middle class parents who felt that their daughters would be safe there.

But recently its popularity with the public schools has burgeoned and it is even included in *The Official Sloane Ranger Handbook* as a university with a sizeable number of Sloanes.

The three-man inquiry,

## Juantorena's stumble puts him out of the running



Cuba's Alberto Juantorena screaming in pain as he is carried from the track at Helsinki yesterday after stumbling during his 800-metre heat. He broke bones in his foot and tore ankle ligaments. After an operation doctors said he would be unable to run for at least three months.

## 159 nations make history

From Ray Kennedy  
Johannesburg

Helsinki (AP). - Athletes from 159 nations - the largest gathering of countries at any event in sport history - took part in the opening ceremony of the inaugural World Track and Field Championships in Helsinki's Olympic stadium yesterday.

There were so many flag bearers that after the Olympic-style march around the stadium there was not enough room for the usual straight line across the field. So they formed a huge arc.

The historic occasion followed partly from the huge television revenue for the championships, which are to end next Sunday. The International Amateur Athletic Federation (IAAF) had so much money in hand that it paid travel and lodging expenses for the more than 1,500 athletes and their coaches and team managers.

Sigmar Primo Neboli of Italy, who became president of the IAAF two years ago, dreamt of having 160 nations in the parade. He failed by one.

But it was still a runaway record, breaking the one set at Munich in 1972 when athletes from 123 countries marched at the opening of the Olympic Games.

The IAAF has 170 member nations; the latest recruit, Cyprus, was admitted three days ago.

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Reports and results, page 22

## Stricken tanker's bow taken in tow as slick moves offshore

From Kate Dourian  
Beirut

A car bomb exploded in a crowded vegetable market in the eastern Lebanese city of Baalbek yesterday, killing at least 35 people and injuring many more. The state radio said two Syrian soldiers were among those dead and 20 of the wounded were in a critical condition.

The casualty figure was expected to rise as rescue workers sought bodies from the rubble of buildings which were damaged in the explosion. Fourteen cars parked near the market place were set on fire.

It was the worst of a series of explosions which have struck different parts of Lebanon over the past few days. On Friday a car bomb exploded outside a mosque in the northern port city of Tripoli, killing 19 people.

Baalbek, a historic city of ruined Roman temples, is 45 miles east of Beirut and lies in the Syrian-controlled Bekaa valley. Its population is mainly Shia Muslim.

There was no indication who was responsible for yesterday's car bombing.

The Palestine Central Council, the PLO's 81-member interim legislative body, ended a three-day session on Saturday in Tunis with a call for the resolution of the crisis within Fatah and the conflict between the PLO and Syria.

A search was also continuing

Continued on back page, col 6

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After 3 weeks with Sally, we saw some progress.

Growing up in today's world can have a frightening effect on some children.

In Sally's case, for example, fear drove her to cover her eyes whenever she left home.

We've helped Sally learn to face the outside world, but many other children still need the careful, patient help our homes and day centres provide.

Please help us to help more children by sending a donation to: The Church of England Children's Society, Freepost, London SE11 4BR.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

The Children's Society.



The crest of Exeter University.

of Old Elthamians, has set up exclusive wine and dining clubs. According to the *Sloane Ranger Handbook* the Sloanes congregate in certain halls of residence and move into lovely Devon cottages after their first year. On Friday afternoon they are to be found on the same train to London.

The inquiry, set up in March, reported to the university Senate in June. It recommended that better statistics be kept and said that Exeter should know the performance of state and public school students in their finals.

It also proposed that more effort be put into recruiting students from comprehensives. Representatives of the university should attend conferences, particularly in the Midlands and the North, and foster links with state schools, it said.

The public school contingent, which includes a number

# Fundraisers from US praise IRA 'courage' during Belfast rally

The "courage and daring" of the Provisional IRA were praised in west Belfast yesterday by a spokesman for Noraid, the New York-based organization which allegedly raises cash for the terrorists. He was cheered by a crowd of 3,000 republicans.

Mr Martin Galvin, aged 33, defended the IRA strategy, saying it was fighting a legitimate struggle against 30,000 foreign troops and that every nation had the right to defend itself. He would expect Britain to do the same if the Russians invaded.

But he said it was "completely false" to accuse Noraid (Irish Northern Aid Committee) of being a front for the Provisional IRA. Later, however, in a speech to a rally at Andersonstown in west Belfast, he said some men outside the organization, "at grave personal risk to themselves, had tried to help to provide the means of violence."

He refused to say how much money Noraid had raised last year, although it is estimated that about £1m has been raised since 1970.

Mr Galvin portrayed Noraid as an organization highlighting to the American people the way in which nationalists in Northern Ireland were exploited. The organization, which an American court ruled in 1981 was a

From Richard Ford, Belfast  
foreign agent of the IRA, sent money for charitable purposes, and in particular to help the families of Irish political prisoners. He added: "We are a group of US people who simply want to seek peace and friendship... but we recognize that as long as British rule is based on British army terrorism and religious discrimination, Irish people will be divided."

Security forces were on full alert yesterday for a Provisional IRA attack which intelligence sources believed might be mounted to impress the visitors from Noraid.

The Army and police have been told to "exercise maximum precaution" during the next two days leading to the twelfth anniversary of the introduction of internment, which comes after the ending of the Christopher Black "supertrial".

Before making his speech, Mr Galvin marched along the Falls Road accompanied by 12 bands and thousands of people including representatives of the Troops Out Movement from London, Leeds, Birmingham and Edinburgh.

He claimed that British representatives were not interested in meeting Noraid and neither were the widows of husbands who had been mur-

dered in terrorist violence. Mr Galvin said that Noraid had left contact telephone numbers at Provisional Sinn Fein's offices in west Belfast, but no one had been in touch.

Mr Martin Flannery, aged 80, Noraid co-founder, was acquired with four others earlier this year of conspiracy to supply the Provisional IRA with machine guns and other equipment.

Earlier this year, Mr Flannery was Grand Marshall of the annual St Patrick's Day Parade in New York.

• An off-duty policeman escaped death on Saturday when a booby-trapped bomb hidden under his car failed to explode as he drove off in the village of Kesh in Co Fermanagh.

• A Roman Catholic priest has offered to mediate to try to secure the release of two men kidnapped by the Irish National Liberation Army. Father Declan Caulfield from Co Mayo said he was concerned for Mr Richard Hill and his daughter Diana, aged 13. They were abducted from their holiday home in the county a week ago in an attempt to persuade Mr Hill's stepson, Henry Kirkpatrick, to withdraw statements he had made implicating 18 people.

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## Union vote crucial in leadership poll

By Barrie Clement and John Winder

Mr Michael Meacher is hoping to receive about 77 per cent of constituency Labour Party votes in the deputy leadership elections and Mr Roy Hattersley, the other main contender, may win about two-thirds of the votes of MPs. That means that the decisions of the "big battalions" of the union movement are crucial and the subject of sustained lobbying.

The Transport and General Workers' Union (TGWU) has 8 per cent of the votes of the electoral college, which gives 50 per cent each to MPs and local parties and 40 per cent to unions.

The decision of the 600,000 strong National Union of Public Employees (NUPE) will also be critical. The executive has already recommended Mr Neil Kinnock as leader and Mr Meacher as deputy, although a branch ballot will make the final decision, which will be binding on the union's Labour Party delegation.

The 40-man executive of the TGWU will meet next month and is expected to recommend a candidate to deputy for Mr Kinnock, who its conference has already chosen as leader. The body, however, has no power to mandate its 51-strong delegation to the Labour Party.

There are camps for both men in the union, but it is thought that the left-wing executive might find unacceptable Mr Hattersley's support for incomes policy and his lack of enthusiasm for unilateral disarmament.

As for the rest of the union movement, Mr Meacher hopes to attract the votes that went to his friend Mr Wedgwood Benn

## Black votes remained with Labour

By Nicholas Timmins

Black and Asian voters remained overwhelmingly loyal to the Labour Party at the general election and are forming an increasing proportion of Labour's electoral support, a study of the general election suggests.

Whether that can be turned to their advantage in terms of Parliamentary seats and influence within the party is one of the key questions of ethnic politics in the 1980s. Dr Donley Studlar, a visiting fellow at the University of Warwick Department of Politics, says:

Against opinion poll findings before the election which suggested widespread abstention by black Labour voters, Dr Studlar suggests that support for Labour among Asians and blacks may have eroded somewhat, but is still far from the floodgate reached by other groups.

"Although some defections, especially to the Alliance, were observable," Dr Studlar says in an article to be published in *New Community*, "non-whites remained overwhelmingly loyal to the Labour Party." Most continued to vote Labour and be represented by Labour MPs.

• Labour MPs of both right and left were last night discounting reports that the election of Mr Kinnock as leader without Mr Roy Hattersley as deputy, would lead to the defection of a large number of Labour MPs to a new centre party seeking alliance with the Social Democrats.

## Nazi who built the gas vans

By Stephen Goodwin

Television viewers will tonight see the man who developed the mobile gas chamber after Hitler's extermination squads found themselves in the early war years unable to handle the psychological strain of carrying out the mass execution of Jews by firing squads. SS Colonel Walter Rauff apparently set about his task with unflagging zeal and a prototype gas van was developed in秘密 in a workshop at the colonel's Berlin office.

The van was tested on 40 Russian prisoners before an audience of SS officers at Sachsenhausen concentration camp. The Russians took 10 minutes to die from the exhaust fumes which were funnelled into the van as it trundled along.

The mobile gas chambers took the lives of 200,000 men, women and children. Rauff went on to become SS chief in Milan.

After the war he became a businessman and was able to travel freely from South America to Europe in the 1960s. He now lives in comfortable retirement in Santiago, Chile.

Rauff, one of the top three or four Nazi war criminals still at large, is the subject of a *World in Action* report on Granada Television tonight.

The programme includes an interview with Rauff in which about the only thing he concedes is that he is a lucky man to be living in Chile.

The point is made that although General Pinochet has "deported or exiled 10,000 Chileans," he has turned a deaf ear to pleas for Rauff's extradition.

Rauff did, however, tell the programme that he did not



Top: An SS extermination van. Above: Rauff as he is today and when he was arrested in Milan in 1945.

think he would have to go. After the test at Sachsenhausen the gas vans were deployed at the Polish village of Chelmo, Polish film reconstruction shows the vans were sometimes disguised as Red Cross ambulances. In six months 155,000 Jews are said to have died in Rauff's vans at Chelmo.

The mobile vans were followed by permanent death camps such as Auschwitz. Rauff, who had finished his work in Berlin by July 1942

went on to Italy, where he was arrested by American troops on April 30 1945.

Rauff's escape from the Allies remains unexplained in the programme. In 1962 when West Germany unsuccessfully sought his extradition, Rauff made the following statement to the Chilean Supreme Court: "While a prisoner for 20 months I was interrogated by the British and American intelligence services. I escaped and went to Naples."



Shaping up: Sue Phillips (left), from Deptford, and Katherina Rogers, from Potters Bar, at a fitness, keep fit classes for all, in Battersea Park, London, yesterday. (Photograph: Suresh Karadia).

## Weather aids boom in visits

### English gardens draw crowds

By Derek Harris, Commercial Editor

A summer boom in visits to English gardens, one of the cheaper attractions open to the public, is continuing this year after a rise of 9 per cent last year.

Open-air attractions from wildlife parks to amusement complexes are also benefiting from the good summer weather just as undercover attractions like museums did during the wet spring.

But there is a question mark over how far increased admission charges are affecting visits to historic buildings and other attractions. Admissions to historic buildings and monuments in England last year fell by 1 per cent over 1981, according to the English Tourist Board (ETB).

The average admission charge to historic buildings this summer is 80p, an 11 per cent increase over last year and about double the present rate of inflation. There are now 346 properties charging at least £1, and 38 others are charging £2 or more, according to the board.

Admission charges at monuments administered by the Department of the Environment have not gone up this year, and in the first three months of 1983 admissions were up by 9 per cent.

Up to the end of June this year visits to National Trust properties have also risen by 4 per cent. There have been a variety of admission charge increases but most are less than 5 per cent. Even key properties and attractions usually involve a total cost of rather less than £2.

Some historic buildings did see increases last year. Bowood House, Wiltshire, had a 45 per cent rise and Cliveden was up 35 per cent. Other increases included Kenwood House (27 per cent).

Leeds Castle (13 per cent), Warwick Castle and its new waxworks attraction (13 per cent) and Croxteth Hall on Merseyside (9 per cent).

A fall of 1 per cent in admissions, to some 1,265 sightseeing attractions last year is reported by the ETB. This included a drop of 2 per cent.

Increased numbers of tourists from the United States are reported to account for increases this year in visits to attractions such as Shakespeare's birthplace and Anne Hathaway's Cottage, Windsor Castle reports visitor numbers up.

London tourist attractions, which last year had a difficult time, are now in the middle of

### HISTORIC HOUSES AND CASTLES IN ENGLAND

	1981	1982	% change	Admission
Tower of London	2,088,000	1,895,000	-9	£2
Roman Baths & Pump Room, Bath	857,000	675,000	+3	£1.20
State Apartments, Windsor	727,000	658,000	-9	£1.20
Stonehenge	546,000	531,000	-3	60p
Beaumaris	477,000	502,000	+5	£2
Windsor Great Park	521,000	487,000	-7	£1.80
St George's Chapel, Windsor	500,000	441,000	-12	£1
Anne Hathaway's Cottage, Shottery	328,000	340,000	+4	90p
Leeds Castle	300,000	348,000	+15	£2.85
Blenheim Palace	302,000	312,000	+3	£2.50
Windsor Great Park	318,000	291,000	-7	£1
Tower Bridge	370,000	219,000	+9	£1.20
Croxteth Hall, Merseyside	201,000	192,000	-5	£1
Carlyle's House	3,680	2,900	-21	75p
Keats House	17,403	21,200	+24	£1
St Paul's Cathedral	20,614	23,485	+14	Free
The Monument	115,535	107,553	-8.5%	40p
Westminster Abbey	1,800,000	1,700,000	-6	Free
Battle of Britain Museum	131,000	134,000	+2.3	£1
British Museum	2,029,000	1,974,000	-2.7	£1
Jewel House	1,699,022	1,490,203	-15	60p
Tate Gallery	855,158	1,218,102	+43	Free
Victoria and Albert Museum	1,368,450	1,667,071	+21	Free
Wimbledon Tennis Museum	16,395	22,000	+32.5	£1
Zoological Zoo	51,715	68,000	+33.5	£2.75
London Zoo	1,053,000	1,050,000	-0.3	£2.75
HMS Belfast	215,230	220,412	+2.4	£1.80
Mme Tussaud's	1,981,985	1,875,315	-5.5	£2.95
Planetarium	538,277	530,355	-1.5	£1.65

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### Parsons in resignation mystery

By Peter Evans, Home Affairs Correspondent

New guidance issued to prison staff at the weekend on how to avoid racial conflict in jails was attacked yesterday by Mr Colin Steel, chairman of the Prison Officers' Association.

In the guidelines, the Home Office prison department warns officers against use of words like "coon" or "wog", says religious minorities have the right to practise their faiths and if a newcomer to Britain needs a special diet it should be permitted if resources allow.

The move coincides with a clash last week between black and white prisoners in Wormwood Scrubs' B wing for remand prisoners, where about a third of the 257 prisoners are black. Fifteen men, 11 of them black, have now been removed from the wing.

The Home Office document says separation of racial groups could lead to latent violence.

Mr Steel said: "It sounds as if they wish to have positive discrimination in favour of the black community, which would be even more dangerous than leaving things as they are. If there are individual cases of discrimination against blacks then the prison rules provide for governors to take action."

He feared black activists would use the guidelines to claim they were discriminated

Letters, page 9

### Murder claims checked

By Our Crime Reporter

Detectives are searching through files on missing people and reports of unidentified corpses after claims by a man that he has murdered seven or eight vagrants in and around London during the past few years.

He made his claim while being interviewed by police last week on another matter and he already appeared in court charged with a serious offence.

He told police he had killed the vagrants in various ways, but could not identify his victims. Officers are not sure how seriously to take his claims, but they are checking records to find any details which corroborate his story.



# Government told costs will rise if it privatizes building design

By Staff Reporters

Government plans to use private companies to design its buildings could cost the taxpayer 20 per cent more than using civil servants, according to a report which was presented to ministers last year but has only just been made public.

The Report of the Working Group on Design Costs was jointly commissioned in 1981 by the Property Services Agency, which is responsible for government buildings, and by the Treasury, after Mr Michael Heseltine, then Secretary of State for the Environment, announced plans to privatize most design work.

Under the plans nearly two thirds of the design work of the Property Services Agency (PSA) would be farmed out, instead of just over one third. The staff of 2,500 architects, surveyors and engineers would be cut by 900.

The report from the working group, which reached Mr Heseltine last October, showed, however, that design costs in the four years to 1981 would have been a third more with the privatization scheme.

In the financial year 1980-81 design work done by the PSA which cost £47.7m would have cost £66.6m if farmed out to contractors. In the four years to 1981, the respective costs would have been £144.4m and £211.2m.

## Threatened counties fight back

By David Walker  
Local Government Correspondent

Leaders of the threatened metropolitan counties are stepping up their campaign to secure the backing of local industrialists and business executives for the counties' survival.

They are encouraged by the recent admission by the Confederation of British Industry that the weights and measures and consumer protection work now done by the counties must remain a county responsibility.

The CBI's submission to the Department of the Environment on the future of the metropolitan counties pressed for county-wide authorities for waste disposal, passenger transport, airports and strategic planning as well as consumer protection.

"The major task of the consumer protection services is the enforcement of national trading standards legislation", the CBI said.

## Sun 'made up' interview with widow of VC

A "world exclusive" interview which The Sun claimed to have had with Mrs Marica McKay, widow of Sergeant Ian McKay, was posthumously awarded the Victoria Cross after his death in the Falklands campaign, never took place, the Press Council says today. It was a deplorable, insensitive deception on the public, the council adds.

Mrs McKay, who cooperated in the council's investigation, denied giving any interview for the story, by John Kay of The Sun defence staff. She said some remarks attributed to her were totally untrue.

Mr Kenneth Donlan, The Sun's managing editor, said the Daily Mirror had had Mrs McKay "under its protection" and refused to let her talk to other reporters. The story was put together from previous quotations and an interview with the parents of her late husband.

The Press Council upheld a complaint by Mrs Caroline Metcalfe, of Horn Lane, Woodford Green, Essex, that the newspaper published a fabricated interview, called a world exclusive, with Mrs McKay, which was a deception of its readers.

The Sun two-page spread featured interviews with the widow of Lieutenant Colonel H Jones and Sergeant McKay under a sub-heading: "World exclusive: Pride and the heartbreak of two VC's widows".

The report complained of began: "VC's widow Marica McKay fought back her tears last night and said: 'I'm so proud of Ian. His name will remain a legend in the history books for ever'".

On the same day the Daily Mirror also carried interviews with the two widows. The story about Mrs McKay, "My VC here", was described as "Executive: A widow's own brave story".

Eleven days later, under the headline "The Sun sinks even lower", the Daily Mirror's comment column said: "The Sun is a lying newspaper". Mrs McKay was in London at the time of the interview. She did not speak to The Sun.

Mrs Metcalfe told the Press Council that either The Sun or the Daily Mirror was lying and complained against The Sun. She said she had no independent evidence, but suggested

## New leads in hunt for girl's killer

Fresh leads are being investigated throughout Britain by detectives seeking the killer of Caroline Hogg, aged five. More than 100 people telephoned with information after the publication of two artist's impressions of a man or men the police want to interview.

Edinburgh detectives are also

waiting for video film to be

flown from Australia. It was

taken on the promenade,

Portobello, near the girl's home,

on July 8, the night she

disappeared, by an ex Scot who

now lives with her husband

near Melbourne.

## Correction

The first seven colleges and results in the Norrington table of Oxford final examinations on Saturday should have read:

Max Per  
Pct pass cent Pct

St John's 216 302 72.0 14.6

St Catherine's 215 302 71.8 13.8

University 215 302 72.3 15.1

Utrecht 215 225 70.2 11.2

Harvard 208 285 70.1 7.8

Total (rounded) 5376 7814 67.3

(Last year's position in brackets)

## Volta leader tries to allay fears

A bidjan, Ivory Coast (Reuters) - Captain Thomas Sankara, Upper Volta's new leftist military leader, has pledged support for all liberation movements but has sought to allay fears that his regime will be a destabilizing influence in West Africa.

Diplomatic sources in Abidjan told Reuters that Captain Sankara had briefed diplomats in Ouagadougou on Saturday, emphasizing that his new National Revolutionary Council would play a more active part in the non-aligned movement.

Captain Sankara said the new authorities wished to "extend a fraternal hand to all Upper Volta's neighbours", the sources said. He also wanted to reassure pro-Western countries, such as Ivory Coast, in case they feared the new leftist regime could be a disruptive factor in West Africa.

Captain Sankara, aged 34, a

no-pawn: Captain Sankara, the coup leader.

paratroop commander, overthrew the moderate President Jean-Baptiste Ouédraogo on a coup on Thursday.

Colonel Gaddafi, the Libyan leader congratulated Captain Sankara on Saturday over the "revolutionary uprising". But in an interview with a French radio station the same day Captain Sankara said he was no pawn in Colonel Gaddafi's hands.

They signed a commercial agreement intended to increase trade between the two countries.

## Nigeria result likely to be close

Lagos (Reuters) - Results in the Nigerian presidential election started to filter into Lagos yesterday but electoral officials said none would be announced until all had been received and the outcome is unlikely to be known before tonight.

There were no firm pointers although the main parties were eager to tell areas where they believed success was in sight.

The result is likely to be close between incumbent President Shehu Shagari of the National

Party and Chief Obafemi Awolowo of the Unity Party.

The election did not pass without problems of organization, and at least three of the six parties involved have complained formally to the Federal Electoral Commission about alleged irregularities.

Mr Victor Ovie-Whiskey, the commission's chairman, said that one incident being investigated occurred in Cross River State in the east.

He said it had been alleged

that Mrs Helen Esuene, who

was dismissed as a commission official last week when it was discovered her husband was the

Unity Party candidate for Governor, seized the papers and

burned them in a bonfire.

The independent Guardian newspaper called the prevailing calm remarkable, and other

newspapers were similarly con-

gratulatory.

## Bishop Tutu predicts Soweto-type violence

Vancouver (Reuters) - Bishop Desmond Tutu said here that conditions in South Africa were very volatile and he would not be surprised by another explosion of violence like that in Soweto when hundreds of people died in 1976.

Bishop Tutu, an Anglican and Secretary-General of the South African Council of Churches, also told a news conference on Saturday that the Government appeared to be having some success with its apartheid policies.

The South African Government, which confiscated Bishop Tutu's passport in 1981, two weeks ago abruptly gave him permission to attend the assembly of the World Council

Reagan policy under attack

A draft statement on human rights condemning US policy in Central America was presented yesterday to the assembly of the World Council of Churches. Delegates will vote today on the draft, which praises what it calls Nicaragua's life-affirming achievements and urges American churches to intensify efforts to change Reagan policy.

of Churches here. He was also allowed to attend church conference in the United States and New Zealand.

The Bishop described conditions in South Africa as "very volatile" when asked to comment on the killing of several black protesters and the wounding of many others in a clash with police on Thursday in Mdantsane, the largest black community after Soweto.

"We appear to have a surface calm where the authorities seem to have everything under control", the Bishop said. "But I would not be surprised at all if there was another explosion along the lines of June 1976."

He said the Government

appeared to be enjoying success

with such apartheid goals as

"denationalizing of blacks" and

"the uprooting and dumping of

people in places such as the

Ciskei (the nominally-indepen-

dent black homeland)". Future

trouble was probably more

likely in impoverished rural

parts "where people would kill

because they wanted to eat".

• CASTELGANDOLFO: The Pope yesterday offered a short

prayer in communion with the

World Council of Churches for

Christian Unity (AP reports).

## Europe's wine prospects: Part 4

In the final article on European wine, HARRY DEBELIUS reports from Madrid on the prospects for the 1983 harvest in Spain.

The Spanish Government takes little comfort from the prospect that the country's vineyards will produce enough must to make about 250 million gallons of wine this year despite the prolonged drought.

Agriculture Ministry officials are disturbed by the vastness of the predicted crop, since there is a price support programme under which the state buys surplus wine for distillation into alcohol for general use. The bigger the crop, the more subsidies have to be paid out.

Theoretically the drought

which has scared much of Spain for more than three years has led to a smaller crop.

The quantity expected,

however, reflects the results of

planting new vineyards in

1970s, since the vines do not

generally become fully pro-

ductive until four to seven years

after planting. The quantity

also testifies to the existence of

some unauthorized vineyards

and to the fact that a small

percentage of Spanish farmers

occasionally irrigate their crop

shipped to market.

Concluded

Spain alarmed by bumper harvest



# S African reforms face bitter fight from MPs today

From Ray Kennedy, Johannesburg  
the fountain of apartheid ideology.

The Broederbond split, which has resulted in the enforced resignation of Professor Carel Boshoff as chairman, is in fact a showdown between Mr P. W. Botha, the Prime Minister, and his arch rival, Dr Andries Treurnicht, leader of the Conservative Party and former head of the National Party in the Transvaal. Professor Boshoff, a leading academic, opposed the constitutional plan.

But there is also growing disquiet on all sides outside the ruling party about the proposed powers for the new executive president who will have the final say in resolving deadlocks between the three houses of Parliament and over the appointment of ministers.

The official Opposition, the Progressive Federal Party, which considers the reforms grossly inadequate because they exclude black Africans, and the Conservative Party, which has condemned them as political suicide which will destroy white self-determination, will fight the measure clause by clause.

However, the Government is determined to complete its work within a month.

Today MPs will be presented with the report of an all-party select committee which has been considering the Bill during the recess. It was empowered to suggest changes to the principles established by the second reading, particularly the Opposition's demand for a fourth chamber of Parliament for blacks.

The Bill at present provides for a Parliament divided into three chambers, one each for the 4.5 million whites, 2.7 million mixed race coloureds and 850,000 Asians. But it ensures that ultimate power remains in white hands through the office of a powerful executive president chosen by a white-dominated electoral college.

The furious debate on the plan has continued outside Parliament throughout the recess with the most significant development being the emergence of a split in the ranks of the Broederbond, the powerful Afrikaner secret society which is final test in a referendum for which a date has yet to be fixed.

## Jail term for Israeli ex-minister

Tel Aviv (Reuters) - The Israeli Supreme Court has sentenced a former Cabinet minister to three months' jail for appropriating public funds.

Mr Aharon Abuhatzira, leader of the Tami Coalition Party which contributes three seats to the government coalition, was jailed after the Supreme Court upheld a prosecution appeal against a suspended sentence imposed last year.

It was not immediately clear whether Mr Abuhatzira would resign from parliament. Under Israeli law, an MP can be forced to give up his seat only if he is sentenced to more than a year in jail.

## Hiroshima plea against Bomb

Hiroshima (Reuters) - Mr Takeshi Araki, the mayor of Hiroshima, renewed a call for nuclear disarmament as the city marked the 38th anniversary of the world's first atomic bombing. He addressed about 50,000 people at a memorial service for the estimated 151,000 victims of the 1945 attack.

Anti-nuclear protesters remembered Hiroshima in peaceful demonstrations in 60 cities across the United States.

## Genghis recalled

Peking (Reuters) - Mongolian herdsmen were among 1,000 people who staged a memorial service at the tomb of Genghis Khan, the warrior whose empire once stretched from China to the gates of Europe.

Victor Seelye, Seychelles (Reuters) - Seychelles voters went to the polls yesterday to elect a new People's Assembly. Only candidates from President Albert René's party were allowed to stand.

## No contest

Los Angeles (Reuters) - Victor Korchnoi, the defecting Soviet chess grandmaster, was declared the winner of the semi-final candidates match in Pasadena after Gary Kasparov of the Soviet Union failed to appear.

# Jayewardene claims he has thwarted scheme to set up a dictatorship

From Michael Hamlyn  
Colombo

President Junius Jayewardene sits in his upper middle-class house in the elite Cinnamon Gardens area of Colombo and sombrely reflects on the ruins of the commercial centre of the city.

Despite the spasms of race hatred which has left 300 people dead and countless homes and businesses destroyed, he takes some grim satisfaction from the fact that the fit is over and the institutions of Government are still in place. "You see, people think it was just a riot. It was not," he said throatily. "It was a revolution."

He feels like a man who has prevented George Washington from carrying through the American revolution or stopped Lenin in his tracks. For he has no doubt that the riot was part of a plan to topple him from power and install a left-wing military dictatorship.

The wily President, who made himself both head of Government and head of state when he amended the constitution soon after he came to power, has won every election since. His most recent success was in the referendum which extended the life of the present parliament for another six years, keeping him and his party in power until 1989 - short of a military coup.

The pattern of Sinhalese-Tamil race riots in Colombo is of a brief and vicious flare-up, a rigorous curfew and a sudden dying-down. This time there was no dying-down, for many days.

This time, the Government detected plain signs of deliberate organization. The rioters, sacking out Tamil homes and burning them, had a particularly detailed knowledge of who lived where and who owned what.

The Government's information came from inside the Janata Vimukti Peramuna (JVP), the People's Liberation Front, which 12 years ago led an armed insurrection against the Government of Mrs Sirimavo Bandaranaike. In that spasm 1,200 people died, and the Prime Minister sought military assistance from her neighbours.

In that conclusion, a breakdown of law and order, dissidents in the armed forces.

## Sri Lanka troops went on rampage

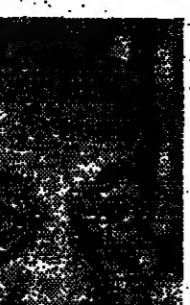
From Our Own Correspondent, Colombo (centered)

Details are emerging of the events of Sunday July 24, when members of the Sri Lankan armed forces stationed in Jaffna, in the north of the country, went on the rampage and killed a number of innocent Tamils after the ambush in which 13 soldiers died.

The government spokesman Mr Douglas Lynne, admitted that 20 civilians had been killed in Jaffna, but reports from the town indicate that the number of deaths may be higher.

There are still number of residents in hospital being treated for bullet wounds received that day. A statement signed by MP Appapillai Amirthalingam, secretary of the Tamil United Liberation Front, said: "Almost 40 people were gunned down by army personnel in the streets and in their homes."

According to residents of Jaffna, which is 95 per cent Tamil, the ambush by Tamil



been unable to remove her from office. Mr Jayewardene, the new Prime Minister, opened the jail door to the JVP leaders.

"I wanted to give them a chance in the democratic arena," he said ruefully. He smiled. "Looking back, it looks as though I made a mistake."

According to the President, the idea was for the revolutionaries to capitalize on the ill-feeling between Sinhalese and Tamils, then to create ill-feeling between Sinhalese and Muslims. There were a few attacks, but not successful, he said. They also hoped to stir up ill-feeling between Buddhists and Christians. Again there were a few attacks, but not successful.

Señor Kelly recognizes that the country's chronic political instability, with its history of coups and foreign policy U-turns, has damaged its ability to act seriously in the international arena.

She flatly rejects the familiar argument of successive military governments: "In my party, we don't believe that our country's bad international image is caused by an anti-Argentine campaign", she insists. The first priority, she says, is to re-establish the rule of law within the country, and

"But", he said sadly, "the TULF boycotted the talks."

When, therefore, he came to the streets and with the Army, he took the opportunity to take tough measures against separation. To the outsider it looked as though he were being unusually hard on the Tamil population, but, as he put it: "The Tamils were the victims. I had to protect them. I knew any words of conciliation or advice to the rioters were useless."

"My purpose was to destroy any backing the political leaders of the riot had - any mass backing which we have done."

The result was the sixth amendment to the constitution, which passed through Parliament on Thursday, depriving people of their civil rights, property and much else if they publicly espoused the cause of a separate state.

The amendment is tantamount to proscribing the TULF and it remains to be seen how the party will react. It would be pleasant to think that the TULF would adapt to the new situation and continue to work within the democratic system, but experience has shown that whenever moderates come forward within the Tamil community, the terrorists drive them back.

Before there can be any progress, terrorism must be eliminated," the President said.

Mr Bandaranaike locked the rebels up. But in 1977 the electorate did what the JVP had

done more, he says. He was to propose at the round-table conference convened earlier last month that if the Tamil United Liberation Front (TULF) would withdraw, or at least postpone, a demand for the independence of Eelam, the Tamil-inhabited area in the north and east of the country, other blessings would follow.

Before there can be any progress, terrorism must be eliminated," the President said.

Two separate incidents, at least, are attested to by witnesses. In one, a bus in Manipur, about six miles outside Jaffna, was stopped at 7am by a squad of troops. The young men on the bus were separated from the rest of the passengers, lined up and shot. Six died, according to reports.

In the other incident, troops near the scene of the ambush found a house which did not have its shutters drawn, and fired through the windows. They killed a man, aged 83, who was asleep in bed, and also shot his son, who approached the soldiers with his hands up.

Witnesses at the house said pools of blood surrounded the bed in which the old man lay. His widow was not permitted to bury him until Wednesday, when the curfew was relaxed.

Yesterday, Tamil United Liberation Front MPs met in special session in Vavuniya to decide their attitude to the sixth amendment to the constitution, which makes it unlawful to espouse Tamil separation.

They decided to continue their boycott of Parliament, and will not appear later this week when the session resumes. They will not, therefore, take the oath of loyalty to the unitary state of Sri Lanka prescribed in the amendment. In the meantime, they have referred to their politburo, a committee of senior members, the question of what to do next.

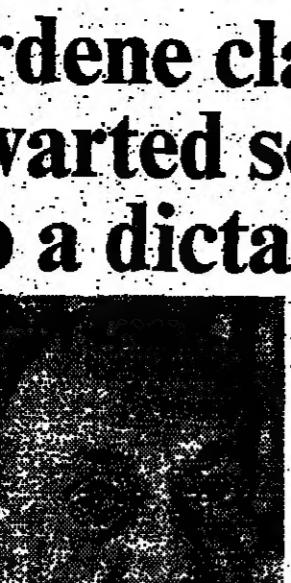
A positive sign that Sri Lanka is returning to normal came yesterday with the announcement that the curfew which has been imposed for the past fortnight will begin at a later hour from tonight.

The arrests were linked to the July 29 murder of Signor Rocco Chinnici, aged 58, a magistrate. The warning to Ignazio Salvo, aged 57, a wealthy and influential Sicilian with interests in agriculture, tourism and building, was not directly related to the killing, sources said.

Political speculation heightened in Moscow at the weekend after an apparent decision by President Andropov to delay a planned summer holiday in the Caucasus.

When Mr Brezhnev, was President it became customary for the Soviet leader to spend most of August in the Crimea before political activity resumed in September. It had been expected that Mr Andropov would choose to relax in the spa and rest centre of Kirovodsk, near his birthplace in the northern Caucasus. Mr Andropov has a private dacha at an exclusive Kirovodsk sanatorium where he receives treatment for a kidney complaint.

It has become clear that unlike Mr Brezhnev, Mr Andropov does not intend to hold summit meetings with Warsaw Pact leaders at his holiday home.



## Post-Falklands Argentina: Part 1:

### Public prefers the peaceful path

In the first of two articles on Argentine thinking on the Falklands, our Buenos Aires correspondent, ANDREW THOMPSON, examines the mood of politicians and the public.

Thereafter formulates domestic and foreign policies which are democratic, in that they will reflect the desires of the majority of Argentines.

On current form, the forthcoming elections here will begin to change attitudes over the Falkland Islands dispute. The polls will be held on October 30, and a new civilian government will be in place by the end of January, 1984.

Argentine politicians are convinced that the return to constitutional rule is a vital precondition for the formulation of credible foreign policy. "After seven years of military rule, we are going to have to rebuild our international relations at all levels," said Señora Elsa Kelly, a foreign relations expert of the Radical Party.

Señora Kelly recognizes that the country's chronic political instability, with its history of coups and foreign policy U-turns, has damaged its ability to act seriously in the international arena.

She flatly rejects the familiar argument of successive military governments: "In my party, we don't believe that our country's bad international image is caused by an anti-Argentine campaign", she insists.

The first priority, she says, is to re-establish the rule of law within the country, and

regime was guilty of "taking the country into an impudent war, in both political and military terms". Britain, on the other hand, was guilty of "insisting on maintaining control of part of our territory". Now, he says, "it is time to think of the future".

One of the key factors in determining Argentina's position in the future is public opinion, which the politicians say has been ignore or manipulated by military regimes. Surprisingly, there have been few opinion polls on the issue of the South Atlantic. Nevertheless, the indications are that the majority of the population continues to demand sovereignty over the Falkland Islands, and wants it achieved by peaceful negotiations.

The next government, the politicians are convinced, needs to demonstrate to Argentine public opinion - and not least to the armed forces - that democracy and peaceful diplomacy can achieve successes in the South Atlantic where the Gaullist brand of militarism could not. The focus of the current debate is therefore how to get the British Government to agree to serious negotiations.

Tomorrow: A formal cessation of hostilities

### Zanu to rule forever, says Mugabe

Harare (AP) - Mr Robert Mugabe, the Prime Minister of Zimbabwe, marked the founding of his ruling Zanu party's 20th anniversary yesterday with a renewed pledge to create a one-party state.

Mr Mugabe told several thousand cheering supporters in Harare's Parliament Square: "A one-party state is what we want and that it shall be."

He said Zanu should govern "forever", and when Zanu became the only party, only card-carrying members would be allowed as MPs.

### UAE envoy to be reappointed

After a delay of nearly three months, the reappointment of Mr Mohammed Mahdi Al-Tajir as Ambassador of the United Arab Emirates in London is expected to be announced shortly (Rodney Lovton writes).

Mr Al-Tajir was Ambassador in London for 10 years until he resigned last year. In May, when letters of credence for his reappointment were presented, they were rejected by the Foreign Office.

### Fans fight

Calais (AFP) - Several people were injured at Guines near here on Saturday in a fight between English and French football supporters after a "friendly" match between Calais of the French third division and English second division team Crystal Palace.

### Off the track

Hockenheim (Reuter) - Andrea de Cesaris, the Italian racing driver, was fined £3,300 on Saturday after he caused two accidents and knocked down a policeman on his way to practice for the West German grand prix. Race report, page 23

### No strike

Toronto (Reuter) - The New York Yankees baseball star Dave Winfield will not be prosecuted for accidentally killing a seagull with a warm-up throw during a game against the Toronto Blue Jays, a Toronto prosecutor has decided.

### Lest we forget

Nieuwpoort, Belgium (AP) - Hundreds of veterans from several nations including Britain took part in a ceremony commemorating those who died in the trenches here during the First World War.



End of the line: A 164ft great white shark weighing 3,000lb caught at Mystic, Connecticut at the weekend by two charter boat captains after 10 hours.

### Bomb explodes at American base

Ramstein Air Base, West Germany (Reuter) - A bomb exploded outside a United States Air Force base early yesterday and more than 160 anti-nuclear demonstrators were arrested at Europe's biggest military air show here.

The bomb, at the Hahn air base 75 miles from here, caused

damage estimated by police at Dm 200,000 (£50,000). No one was injured.

It exploded a few hours before the start of the Ramstein international air show, attended by an estimated half a million people.

A West German police spokesman said about 60

demonstrators opposing the planned deployment of US medium-range nuclear missiles in West Germany were arrested.

Heavy security prevented a planned blockade of the runway and five protesters were arrested when they tried to break through. Speculators ap

pealed police and spat showed nothing had changed, President Castro said.

● MANAGUA: Nicaragua has faith in the Contadora peace efforts but will prepare for the worst. Señor Daniel Ortega, the junta leader, said here (Reuter reports).

### Four arrested for anti-Mafia chief's murder

Palermo (Reuter) - Police have arrested four people in connection with the car bomb murder a week ago of one of Sicily's top anti-Mafia prosecutors.

A leading Sicilian businessman has also been given a formal warning that he is under investigation for alleged involvement in a criminal association.

The arrests were linked to the July 29 murder of Signor Rocco Chinnici, aged 58, a magistrate. The warning to Ignazio Salvo, aged 57, a wealthy and influential Sicilian with interests in agriculture, tourism and building, was not directly related to the killing, sources said.



## Even quicker than Airmail. Far cheaper than couriers.

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In the past, the United States tended to its cost, to ignore Syria and Mr McFarlane is trying to change this policy. The Syrians believe that President Reagan has been blinded by Israeli propaganda and that the Americans have yet to learn that there can be no question of resolving the Lebanon issue through the withdrawal accord.

Leading article, page 9

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## SPECTRUM

Next month, doctors are meeting in London to form the British Holistic Medical Association, indicating a growing acceptance of the alternative medicine. This first of three articles looks at what the Prince of Wales recently described to the BMA as "those ancient and unconscious forces so vital to our unity with nature"

# If the mind is fit, the body will cure itself

By Ruth West and Brian Inglis

If you ring up to make an appointment with Dr Goodenough (not his real name: some of his colleagues are touchy about advertising) you will be told that there is a six weeks' waiting list. Nothing strange about that if he were a Harley Street nabob; but he is a GP in private practice, and his practice is homeopathic.

"I did orthodox medicine for twenty years - I used to think that all homeopaths were potty." Why did he switch? "It all rather happened. I suppose at first I just wanted more arrows to my quiver." When he first introduced homeopathy the reaction was immediate: "I lost, in turn, two partners and two-thirds of my patients." That was in 1969; eight years later he was in such demand that he had to retire from the NHS.

Now he is getting patients from other GPs. "Some say it's codswallop, but some tell patients, 'At least it's harmless: why not?'" And some ask him: "Look, can you have a go with this one?"

Ian Hutchinson tells a similar story from a different angle. He is president of the British Chiropractors Association. When he began to practise thirteen years ago, few members of the public had even heard of chiropractic and patients only came to him as a last resort. No longer...

"The changes over the past ten years? People come to see me much sooner with their problems. The age group I'm treating on the whole is much younger. And I'm treating more acute conditions - of manual workers, for example."

The attitude of doctors, too, has changed. "Quite a few doctors refer patients to me: I have lectured to GP training groups; at my practice over the past few years we've had a number of meetings with an orthopaedic surgeon." He would like to see chiropractic recognized, as it is in the US. New Zealand and other countries.

Recognized or not, the practitioners of the once derided "fringe medicine" are in demand. Twenty years ago they were down and to all appearances out, swept aside by the triumphant march of medical science. Now, a combination of disillusionment with orthodox medicine, in particular with its drug-dependence, and the recognition that alternative therapies have something valuable to offer, has transformed their prospects.

The major breakthrough came ten years ago with the favourable report of three eminent US doctors on acupuncture.

Ruth West is director and Brian Inglis a trustee of the KJB Foundation (shortly to be renamed the Koestler Foundation), set up to raise support and funds for research into, among other things, alternative medicine. Their Alternative Health Guide is published by Michael Joseph (£12.50).

ture, following a visit to China. Only a few years earlier acupuncture had been the chief butt of medical jokers in *The Doctors' Dilemmas*, the leading US pharmacologist Louis Lasagna had dismissed it, in a chapter of "Superstition and Ignorance", as a "lunacy".

Vindication of the long-derided millenia-old Chinese therapy was significant, not merely because it staked a fresh claim for the recognition of alternative medicine (as it now came to be called) as an alternative and a serious one, to conventional western medicine. It also threatened to undermine western medicine's foundations by casting doubt on the hallowed principles of physiology.

The existence of "meridians" or "canals", as shown on acupuncture charts, had excited Lasagna's particular derision: they were shown, he jeered, only because "hitting imaginary canals is not a job to be left to the imagination". But if acupuncture works, can it be that the canals (into which needles are placed, according to the diagnosis) are real, but not material? If so, conventional physiology is missing a dimension. Alternatively, it may be that the imagination is involved in this as in other therapies. Inole Coué, with his "every day, in every way, I get better and better" incantation, preached in the 1920s that the imagination can exercise a powerful, and sometimes decisive, influence over the body: but Coué had been laughed at.

The discovery in the mid-1970s of the endorphins, chemical messengers which apparently transmit the imagination's instructions to the body and are capable of relieving pain as if they were opiates, has raised the possibility that acupuncture, and perhaps other therapies, work psychosomatically, the body obeying the mind through a broadcasting system emanating from the brain, whose transmission system is only gradually coming to be understood.

The implications of this discovery have still hardly penetrated orthodox thinking. It effectively demolishes what generations of medical students have been taught as dogma: that the imagination can neither cause nor cure organic disease. And it is largely because of the profession's ability to come to terms with this body-blow that alternative medicine is now enjoying such an unprecedented boom.

Organic disease is what we say we cure, but don't, the maverick F. G. Crookshank wrote half a century ago. "Functional disease is what the quacks cure and we wish we could." The great advantage the "quacks" of today have - purveyors of alternative therapies, in all their bewildering variety - is that the majority of today's disorders are functional, and consequently the

imagination of the patient can play a considerable, even a decisive part, in promoting cure.

Doctors until recently have tended to downgrade the imagination's role to "placebo" - useful to discover whether new drugs work by comparing their results with the effect of the placebos, or dummy pills, in controlled trials, but otherwise of no clinical importance.

Now a few, notably Professor Herbert Benson of Harvard, have realized how important the placebo and the placebo effect can be in restoring health. For the most part, doctors have yet to agree. But to alternative therapists, the patients' imagination is their most powerful ally. They know that hope and expectation on the patient's part, reinforced by rapport with the therapist, can work wonders.

Then patients are satisfied with what they get from alternative medicine has been confirmed by a report in the Consumers' Association magazine, *Which?* In its sample, "nine out of ten say that they would use again the form of alternative medicine they'd tried most recently. They didn't all claim to have been cured, but only 10 per cent felt the treatment had been useless".

By contrast, although the reputation of medicine in the abstract remains high, there have been many indications of patients' growing dissatisfaction

with their GPs. For example, according to surveys carried out by Taylor Nelson, "nearly a quarter of the United Kingdom population say that they have less faith in doctors than they used to"; and the number of those who "trust the doctor to know what I need" fell from 52 per cent in 1978 to 39 per cent in 1980.

This is partly because the hope, nurtured in the 1950s, that Ehrlich's dream of "magic bullets" - drugs capable of curing all known diseases - has faded. Not merely have the wonder drugs proved a sad disappointment, but their toll of adverse reactions is growing more disturbing.

Perhaps the most damning indictment of indiscriminate reliance on drugs has come from a World Health Organization trial, the importance of which has yet to be recognized.

Clofibrate was marketed twenty years ago to lower blood cholesterol levels and thereby afford protection from heart attacks. It did what it said: those who took it in the controlled tests had a lower mortality from heart attacks than those who did not. But eventually, it was found that the mortality rate from all causes was 25% higher among those who had taken the drug during the trials, than among those who had not.

As Professor M. F. Oliver, president of the British Cardiac Society, has warned, this has very disturbing implications for patients currently on

Ken Stratford  
Psychotherapist, Birmingham Centre for Alternative Medicine

Why did I set up the centre? I was set up with feeling inadequate when treating certain of my patients. I was finding, for example, that half of them were consuming gallons of coffee to cover their anxiety - well, they were obviously in need of nutritional advice, perhaps allergy testing, along with the psychotherapy I had to offer. So I drew a group of therapists together to operate under one roof as a centre for alternative medicine, and a member of a network of about 20 such centres, known as the National Health Network.

We have an acupuncturist, chiropractor, homeopath, osteopath, medical herbalist and nutritionist. My skills are in behavioural psychotherapy and hypnotherapy. We operate on commercial lines: each therapist pays his way. We've been together less than a year and, yes, we do get referrals from GPs and we hope to strengthen the goodwill we're receiving.

Dr Chris Belshaw  
in private practice

I qualified in December 1969, having already decided to take up osteopathy; the seed for that was sown when my mother went to an osteopath for her back problem. But it was another four years before I took the one-year course for registered medical practitioners at the London College of Osteopathic Medicine. During this year I came across acupuncture. I took some short courses, but then went on what turned out to be a seminar trip to China for three weeks' intensive training. I now have a private practice in the south of England. I get some referrals from doctors and in fact I prefer it if GPs are aware.

My relationships with my fellow medics, though, aren't bad. At a tea-year reunion I was the only one in this sort of field; but they were interested in my work, and although I don't know of many other doctors using alternative therapies, the trend is there.

Dr Patrick C. Pietroni  
Senior lecturer in General Practice at St Mary's Hospital, Paddington and founder of the British Holistic Medical Association

As a full-time general practitioner I found myself facing many situations with patients which my medical education had not prepared me for. The skills that I had acquired were of limited use, but more importantly, the basic assumptions on which my medical education rested appeared to contradict the reality with which I was faced. I spent a number of years acquiring a new set of skills which included a more thorough understanding of the importance of dietary factors, exercise, the use of breathing and meditative approaches.

I learnt the importance of creating a partnership with my patients and slowly moved away from the medical model to an educational one. I suppose the most important thing I learnt was that my own values and assumptions, as well as my physical and mental well-being determined, to a large extent, the outcome of my work with patients.

"preventive" drug treatment. If altering the body's chemistry has long term ill-effects, then tens of thousands of patients currently being given drugs for hypertension may be worse off.

By contrast, alternative therapies are relatively safe. Scare stories of wrong diagnoses and faulty treatment abound in the medical profession, but the concomitant - malpractice suits - are very rarely reported, as they certainly would be if they occurred. (There have in fact been no High Court actions, which suggests that any cases there have been must have been minor.)

The recent burgeoning of alternative therapies, and their proliferation into spin-offs through the introduction of new techniques, makes it unsafe to generalize about them: but on some points almost all are now agreed. The main difference between alternative and conventional medicine, they claim, is that alternative therapists do not treat the symptoms, they treat the person.

There are exceptions, of course, therapists who offer cures for, say, smoking without attempting to assess the patient's background. But in theory at least the assumption is that most symptoms, from backache to 'flu', have a powerful psychosocial component which may be the main cause. Digging in the garden, or "the bug that's going round", are not the cause, but the precipitant of the symptoms.

Most alternative therapists, too, emphasize the importance of listening to patients. The first consultation usually lasts an hour or more; this not only helps to establish rapport, but also makes it easier to have a working appointments system (when *Which?* turned its attention to the subject of what its subscribers think about doctors, its survey reported this month that by far the commonest complaints are "long waits at surgery").

The fact that alternative therapists spend more time talking with their patients also makes for what many of them claim is another vital difference between them and the average GP. They can promote prevention by showing their patients how to change from the habit of pill-taking to fitness by diet and exercise.

Alternative medicine, then, can be holistic-related to the person's heredity, personality, environment and lifestyle. It is in a way which orthodox medicine, cannot because of its materialist bias and because specialization is leading to ever greater concentration on symptoms, rather than people. It is this which is giving alternative therapies, whatever their intrinsic merits and alternative therapists, who like doctors can be good, bad or indifferent, their current advantage.

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moreover...  
Miles Kington

## A5PIC on my plate

All odd and personal car numbers have up to now been bought and sold on the open market, often for a lot of money, but the licensing department at Swansea is suddenly to keep the good ones back and auction them off itself. This means, if you think about it, that the Tories have now nationalized something in the private sector, thus shattering their party manifesto, and I expect fresh elections to be called soon. Meanwhile, the lads at Swansea are already hard at work...

(A room in Wales. Four motoring civil servants are sitting around a table. They are called Sam, Pump, Bump and Dump. These are not their real names. They got them out of a computer.)

**Sump:** This committee has not met for a very long while. It used to be called, if you remember, the Committee for Eliminating Rude Three-Letter Words From British Car Numbers. Well, we eliminated them all.

**Pump:** Except for GAY.

**Sump:** Well, we didn't know then that it was going to be a rude word.

**Bump:** It isn't.

**Sump:** Ah yes, Bump. I forgot you were...

anyway, we now meet again to make a list of combinations of words and numbers that might make money for us.

**Dump:** I Don't understand.

**Pump:** Thing is, Dump, that if you have a car with the number RR 1, you and I wouldn't pay much for it, but the head of Rolls-Royce would pay a lot.

**Bump:** How much would Ray Reardon pay?

**Pump:** You're getting the idea. An Auction!

**Dump:** Who's Ray Reardon?

**Sump:** Shut up, Dump. Now, the problem is that most of the good numbers have gone. We are now issuing plates beginning with A, followed by numbers then letters. The scope isn't vast. But we've already made a short list of possibles. For instance, A 10 LL.

**Bump:** What's that?

**Sump:** Run together, it reads A10LL.

**Dump:** What's that?

**Sump:** It's a kind of Mayonnaise, dummkopf. We'll have Delia Smith and Katie Stewart fighting to the death for that one, and then sell it to Heinz. I've also got A 4 ISM. I think Clive James would pay a thousand for that. And remembering that £5 can look very like SA's, I think there'll be a market for A 55 ISL.

**Bump:** ASSIST! Who'd buy that? The RSPCA?

**Sump:** Francis Pyn. I reckon. And I thought some rich surgeon would go bundle on A 0 RTA.

**Bump:** You can't have a nought by itself.

**Sump:** Oh no? We're making the rules now.

**Dump:** Then there's... What else is there?

**Bump:** A 1 TCH.

**Sump:** What's that, Dump?

**Dump:** AITCH. Someone whose name begins with "H" might like that.

**Sump:** Get lost, Dump.

**Dump:** Or A 5 WAD.

**Sump:** You mean, a wad of fivers?

**Dump:** No, no ASWAD. It's a reggae group. They'd pay a fortune.

**Bump:** He's right! Good old Dump.

**Pump:** And now that we're in the permissible age, maybe we can bring back some of those good old three-letter words!

**Sump:** I am not having cars beginning A53.

**Pump:** I was thinking of BUM, actually.

**Sump:** And I am not having Mrs Whitehouse accusing us of corrupting public morals.

**Bump:** How about A 51 ANST ASIANE?

**Pump:** How about A 51 MOV? ASIMOV!

**Rump:** And what about for the Queen - A 5 COT? ASCOT?

**Sump:** Just a moment. Who's Rump?

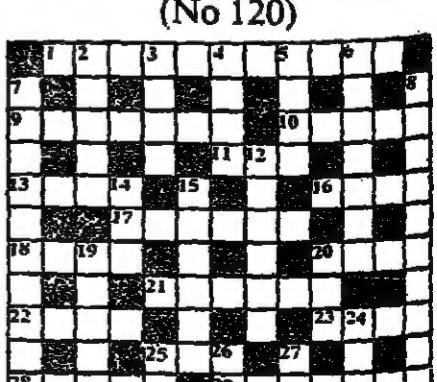
Where did that last speech come from?

**Rump:** Me. I just changed my name. I didn't like Dump.

**Sump:** This meeting is getting out of hand. It's adjourned.

(More reports as and when.)

CONCISE CROSSWORD  
(No 120)



**CROSSWORD**

- Domed shaped container (7,4)
- Person in authority (7)
- Send payment (5)
- Illuminated (3)
- Cooking fat (4)
- Financial institution (4)
- Eye inflammation (6)
- Lacking colour (4)
- Four-winged insect (4)
- Errend boy (4)
- Cup-eating instrument (4)
- Glue (3)
- Communication table (5)
- Greed (7)
- Father's mother (11)

**DOWN**

- Long-term prison (5)
- Nerous fiction (4)
- Noblemen (4)
- Sauzy (4)
- Harpsichord (7)
- Crossing monitor (8,3)
- Ice spike (6)
- Surroundings (6)
- Barge (7)
- Rabble (3)
- Banish (5)
- Smile (4)
- Munlate (4)
- Walk (4)

**SOLUTION TO No 119**

**CROSSWORD**

- Campea 5 Elfin 3 Nil 9 Anodyne 10 Erato 11 Beth 12 Ratcher 14 Parabellum 15 Avenger 18 Alms 21 Attic 22 Zonated 23 Alo 24 Enrol 25 Ratoon
- DOWN
- Chat 2 Noose 3 Psychological 4 Snore 5 Electromagnet 6 Feather 7 Noname 13 Appraise 15 Re-enter 17 Razoo 19 Metro 20 Edna 21

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## MODERN TIMES



**A  
sideways  
look at  
the British  
way of life**

Dark tales are told by the older street musicians of a buskers' "elephants' graveyard" somewhere beyond Ruislip on the Piccadilly-line. The disappearing denim-clad Bob Dylan lookalikes and one-man bands take a single ticket to this ghostly station of no return, where the times are never changing and they can play out the last bars of "Subterranean Homesick Blues" just one more time. All archaeologists will find in years to come is the odd battered mouth organ and scores of unfiled-in tax forms.

It's sad to see them go from the dusty Orpheum caverns of Leicester Square Tube station or Green Park, still picking out the old tunes on a painted 12-string guitar after depressing whole generations

of computers with endless Leonard Cohen songs. Mr Tambourine Man is a threatened species, nearly extinct. As the constables often told him, it's all over now baby, blue.

Who is responsible for ridding us of interminable nasal droning which so aptly complemented many a dreadful Southern Region rail journey? A revolution is afoot. The Tube-way armies of Dylan have been zapped by musicians using amplified sound systems, just as the old men in military uniform with a swearing parrot on their back were displaced from the cinema queues by the folk singers. Now, with a "ghetto blaster" tape machine, a classical saxophonist can fit an entire symphony orchestra at the bottom of the Northern Line escalator.

The new wave of busker fears not so much arrest as power failure or that the sound levels are wrong on his backing tape. He may even have an accountant, something that would have the one-man band throwing himself underneath the wheels of the next train to Wimbledon out of anti-establishment fear and loathing. The jaded musical palate of the city gent now expects electronic wizardry and B-Dylan has had to change

too, or take the long and winding road to the buskers' graveyard.

That cobbled traffic-free precinct in Covent Garden is now a haven for buskers, who are all licensed; also something of an anathema to their footloose forbears. Today, backed by a trusty ghetto blaster "busking" can encompass anything from ballet to an impromptu Punjabi mime troupe. The strolling player is back with a vengeance and quite often a council grant. There is no more squabbling for pitches.

Such squabbling marred my own single busking adventure. At school three of us set out with guitar, tambourine and a large bass drum borrowed from the cadet corps, a sacred military relic of many wars.

"Er I wouldn't stand there, that's the Mighty Quinn's pitch," said a fat lady. Unfortunately one of us grinned when a smartly dressed dwarf announced that he was the Mighty Quinn, a juggler. He demolished the drum with his size-threes and in a flurry of waist-high punches we were lucky to escape with our other instruments intact.

It was also difficult explaining to the corps sergeant-major how a drum that survived the

Somme had met its end. Then busking was a jungle; now it is polite and ordered and there are even rotas in the Tube stations, written on the Underground maps. It is all so well mannered. The beadies (security men) of the Garden keep an almost loving eye on their artists, making sure that their bottlers (cash collectors) are not robbed and there are no unseemly arguments. The place has an aura of Victorian good fellowship and the scrolling players often sport Equity cards.

With greater possibilities of sound and space the exotic acts, dancers, acrobats, patter-men and fire-eaters from Paris, street acts of another age, have a new lease on life, while the folk singers are the ones out of time.

Mr Plod, the traditional enemy of busking, seems to take a more fatherly view of the amplified and classical acts. The denim brigade with songs of peace and protest were obviously hooligans. Now possession of an amplifier shows thrift, good sense and a respect for property - though the courts recently drew the line at an Irishman who charmed an expensive python from his hat with a penny whistle. Times have not changed enough for live reptile musical acts yet.

Paul Pickering

**Penny Perrick**

**Strictly for  
the birds  
(and bees)**

To the list headed "Careers I hope my daughter never chooses", including pop star's mistress, secretary and restaurant owner, all of them occupations where troubles obviously outweigh joys, I have reluctantly added sex educator. This is after reading Carol Lee's book *The Ostrich Position*, to be published on September 29 by Writers and Readers.

Here is a story of dogged and often desperate heroism on the part of the author who, as a Family Planning Association-trained sex educator, travels from school to school trying to make sense of the sexual confusion which is as much a part of the growing child's life as principles and blushing. As Carol Lee slinks in through the school gate, she knows that she is "less welcome than a pest control officer". In her eight years of teaching, most of the schools' heads and deputy heads have refused to meet her and, at one school, the biology mistress, alarmed at her pupils' ignorance, smuggled in our heroine under false pretences, supposedly to talk about "Personal Hygiene".

It is not only head teachers who make a sex educator's life as pernicious as that of a missionary fallen among lip-smacking cannibals. Carol Lee has to face outraged parents and, often, disruptive behaviour from the children themselves who, to cover up their real feelings of embarrassment and anxiety, resort to juicy discussion of video nasties, snickering and fighting.

Against these dicey odds, Carol Lee usually succeeds in getting her students to examine concepts like love, affection and responsibility, as well as giving them advice on contraception and sexual consequences, about which most of her students share age-old mistaken ideas, such as "you never get caught the first time".

Possibly, the daughters of Mrs Victoria Gillick and other parents who deplore outside intervention in their children's sexual lives have received such careful and sensitive instruction at home that they will never walk into a relationship they can't handle. If so, they are part of a tiny minority, for nearly all the 1,500 schoolchildren Carol Lee taught had not learnt anything about sex from their parents, not even how a baby is born. When Miss Lee asked them to put on an impromptu sketch showing how parents might react to a daughter's accidental pregnancy, they acted out a domestic drama.

The main objection to sex education in schools is that, enlightened and sympathetically instructed by the likes of Miss Lee, pupils may wish to practise what has been preached. This has not been a danger inherent in the school curriculum so far, since even the most easily influenced children do not appear to spend their spare time probing further into the effects of the Roman occupation or reciting off lists of French verbs.

Carol Lee is convinced that, in the short term, sex education actually discourages sexual intercourse.

People as dedicated and full of cockeyed optimism as Carol Lee, prepared for little money and less thanks to do a job others shirk, deserve our gratitude rather than our disapproval. I wish her luck but I hope that my daughter's working life is an altogether cushier number.

• There is a suggestion in the *New Statesman* that babies should be fed on avocado pear blended with a little wholemeal bread, rather than on over-sweetened commercial baby foods. Recalling the years I spent spooning various types of goo into babies mouths, I am dubious of this scheme. I have never once met a baby willing to embark on a culinary adventure; the tiniest spoonful of anything the least exotic ends up spilt on the high chair tray and is followed by howls of outrage. Surely a few tins of unwholesome baby food cannot do any permanent harm to a baby reared on the *New Statesman* who, as soon as it is out of nappies will be into home-made quiche, farmhouses in the Dordogne and other trappings of the good life. I think it should stick out for tinned apricot custard while it can.

Flavia Corkscrew is on holiday for two weeks.

# With a smile and a song

**HAMBURG HIGHLANDER**

*Jochim von Ussar, 26 (below)*

People think it strange when they find out I am German from Hamburg and you can have a lot of trouble with the very nationalist Scots. Then I pretend to be Irish. I can put on a pretty good Irish accent because I worked as a bagpipe maker in Ireland, which was interesting except he never paid me. The tartan is of the Queen's Own Highlanders and my act did not go down too well in Germany. The German folk scene has been dead since Adolf Hitler. So I decided to come over here and did not feel embarrassed about caring the kilt. What London did not need was another person playing Bob Dylan songs on a 12-string guitar and I tried



**PUNK AND JUDY**

*"Professor" Tony Pebble, 25 (above)*

You can say I'm a punk. I'm the oldest form of busking and I like it because Punk is an anarchist. I made all my own puppets and learned the trade from a man in Brighton. Really I am an actor and got into this five years ago because I hated being out of work. I was educated at Shaftesbury and after my A levels went to Loughborough Theatre. But the street is more immediate. You have got to make an impression. You have got to hold their attention or they will just walk away. It is part of being a showman. My mother's a civil servant and my dad's a doctor and they are both pleased with what I do, now they



**BRAZILIAN BUSKER**

*Ricardo Reuter Ruas, 23 (above)*

For two months now I have been playing at Green Park. I am in England to study English and am Brazilian from Belo Horizonte where I am reading to be a vet. In Brazil we do not have buskers. A cleaning job I do in the evenings pays my tuition fees but this pays for my beers and theatre and things like that. It's good for me because I am meeting people and learning more English. People often find it funny when I sing in Portuguese because they cannot recognize the language. I use a little amplifier and I learnt the classical guitar in Brazil. Sometimes I do bossa nova or folk songs and if a friend comes with me we

**SAX APPEAL**

*Tina Graca, 22, Nuria Noguera, 23 (below)*

Paulo. It was fantastic. That is why I act by coming out of a dustbin. I am all folded up inside and am charmed out by the saxophone like a snake out of a basket. Nuria's from Spain and does not speak English and we met when I was working over there. It does make a difference being a woman, especially being a contortionist, as men heckle or come up afterwards. I try to make fun of the act's sensuality. My parents approve of what I am doing as my dad was in Music Hall. A Hungarian acrobat who teaches in Brixton started me off five years ago and since then I have been to Spain and Latin America, where I joined a circus in São Paulo.



**FIDDLERS ON THE HOOF**

*Felicity Willis, 20, Janet Mathews, 21 (above)*

Felicity:

I have been studying the violin for 10 years and we thought we would have a bash at busking. We are both at Trinity College of Music and it really helps financially. Where we play in Charing Cross is now very much a competition among buskers for the places to play. They are friendly most of the time but sometimes things become nasty and it almost comes to a fight. I have played in Switzerland, Holland and Germany and Heidelberg is the most friendly place. After another two months I go home. I was married in Brazil. My marriage is finished but I have a little daughter and would like to take her an English setter dog when I return. I still play to be a vet but I like playing and they say Bob Marley started this

Jane:

Classics seem to be

taking over especially in this station.

We do not need an amplifier down here in the tunnels but we are going to get one for outside.

Strange things have happened. We had a drunk who fell in one of the violin cases and broke it.

Someone gave us a bottle of wine and we had a flasher who came back four times.

Eventually I want to get into an orchestra; I don't know which one but this is good practice playing in front of people. Many students don't do it because they are scared of the fines. Luckily we have not been caught yet. The police are all very nice and I think they turn a blind eye.



We use a small stereo unit to help create the atmosphere. I am the patter-merchant of the act and if I was really good we would not need music. But it's nice to have it in the background. You have to get a link between the audience and the show. I'm from Walthamstow but I learned acrobatics with a circus in Italy and a troupe called the Medinas. My ambition was always to work in the circus and my parents are very proud of me. Before I started doing acrobatics I was working in a furniture factory making three-piece suites. Everyone is licensed to work here and there is no trouble. I run 10 miles a day and Charlie is teaching me new tricks.

Charlie:

We teach dance here and I was 23 years in Iran working with an acrobatic group; they did juggling and we used to go on TV and in the nightclubs. But then in 1979 came the Ayatollah who did not like acrobatics or juggling or nightclubs or theatre. What's more we once put on a show for the Shah's birthday party and I had the personal letter of thanks in my house. The Ayatollah's men found it. I had to flee to political asylum. I teach the new acrobatic dancing at the Pineapple. But I love the atmosphere here and like seeing what the people feel about my show. I sometimes do a Charlie Chaplin act as a change.



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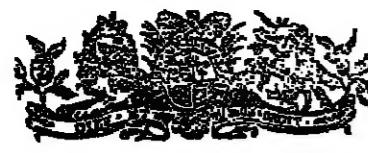
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GULF AIR

Spread your wings


**THE TIMES**  
**DIARY**
**All clear**

A relative of the composer of the world's best-known Christmas carol, *Silent Night*, will be coming to London later this month for an unscheduled premiere at the South Bank summer festival. H. K. Gruber, who steps in to replace a work by Oliver Kaussen that will not be ready in time, is a great-great-nephew of Franz Xavier Gruber who wrote the tune of *Silent Night* on Christmas Eve 1818 in the Austrian village of Oberndorf. The family connection, says the contemporary Gruber, was revealed during the war when his mother was anxious to distract attention from some possible Polish ancestry. The link with the Christmas composer was sufficient to satisfy the Nazis that the Grubers need not be troubled further.

**Point taken**

The imperturbable John Timson and Brian Redhead, presenting *Radio 3's Today*, read a letter from an indignant listener on Friday protesting at their habit of abbreviating sentences by leaving out verbs. The correspondent deliberately wrote his protest with no verbs at all. "Point well made" said the radio rogue sympathetically. "Your complaint duly noted." Such a complaint is well noted.

**Unkindest cut**

"Buy British," thought Menina Williams as she paid £5 extra to buy a pair of Wilkinson Sword pinking scissors rather than one "Made in Japan". Patriotism willed, though, when her husband later found on the display card "Original Fiskars - a trade mark of Oy Fiskars Ab, Finland", and on the handles "Made in Japan". Still, Mrs Williams says, the scissors work better than her old pair which always functioned badly and only if held upside down. Those were made in Sheffield.

**Girl talk**

The latest pre-school vogue word in America is "awesome" as in "The Times Diary - isn't it awesome?" It is not too surprising, then, that the tycoon behind the Awesome Eye-wear Company proves to be a girl of only 14. Marcella Bracke turned a \$1,000 profit in the last quarter, and when the president of Rainier National Bank refused her a \$5,000 loan on the grounds that it would be illegal for the bank to advance money to a minor without a parent's signed consent, she prevailed upon him to make the loan a personal one. American children, aren't they well awesome?

Further speculation as to the title *Gerry Fit* will take on entering the Lords is futile, as far as some of his former constituents are concerned. According to a graffitist in the Falls Road, it will be "Lord Flit of Dock".

**BARRY FANTONI**


**Self service**  
An InterCity which came to a halt on its journey north the guard announced: "Ladies and gentlemen, we apologize for the delay. There is engineering work ahead. Do not stick your head out of the window. There is machinery alongside. If it knocks your head off, you will have to go back and fetch it yourself."

**On the wild side**

The World Wildlife Fund's annual report shows in its accounts an "exceptional item" debited over the past two years and totalling well over £200,000. Although that item is elaborated no further in the accounts themselves, supporters of the fund are welcome to ring up and inquire. They will be told that the mystery figures represent the cost of relocating WWF headquarters in 1981 from offices in the City to Godalming, so unpopular a move that more than 20 of the staff of 35 refused to go along with it and had to be paid off. "I think that when companies are vaguely embarrassed about things they do tend to describe them as 'exceptional,'" giggles a WWF mole.

**A musical** called *Snoopy* is to be performed "on" the West End next month. American reviews have described the eponymous hero as "the laid-back beagle, the spiritual leader, manipulator, benefactor and 'mascot' of the Peanuts gang" and the play itself as "the canine counter-attack to *Cats*". Teddy Klemperer, who played Smike in the Royal Shakespeare Company's *Nicholas Nickleby* on Broadway, plays the prodigies pup "exactly as he sees himself - a cynical, wise and crude human being". modest, too.

**PHS**

# A private life for the economy

**by Walter Goldsmith**

The speed with which the Labour Party/TUC economic strategy has disintegrated in the weeks following the general election gives Mrs Thatcher a remarkable opportunity to carry through the significant structural changes to the economy which British business wishes to see. Britain has unexpectedly acquired a commitment to the social market economy which extends to all significant political forces, for, as Peter Shore has pointed out, two out of four of the candidates for the Labour leadership seem to assume that Labour cannot regain power before 1993.

Of course, Labour economics spokesman will continue, for a time, to advance policies based on the TUC Economic Review, for job creation through vast public spending, dramatically increased social benefits, renationalization, and restoration of trade union legal immunities. But the foundations and credibility of these policies have been knocked away by Roy Hattersley's acceptance of the principle of privatization in his approach to council house sales; by Neil Kinnock's acceptance of the reality of continuing membership of the European Community; and by Peter Shore's declared aim to try to win back for Labour the upwardly mobile workers and their families who have gained tangible benefits from Mrs Thatcher's market economy.

So how should Mrs Thatcher entrench the social market economy in her first year of the new Government? As a first priority she should speed up nationalized industry privatization. In it is the key to the success of her Medium Term Financial Strategy. There are at least £10 billion worth of public sector assets which could be realized in the

Government's current term. Revenues averaging £1 billion a year would allow the Treasury to underwrite a tax-cutting strategy that is seriously behind target, and make a 25p in the £ basic rate of income tax.

Privatization on this scale would introduce benefits in increased competition and demobilization, a reduction in the public sector's share of the gross domestic product and new chances for individual equity ownership and lower taxes. Most important of all, it would allow Nigel Lawson, the Chancellor, to announce in November a Medium Term Taxation Strategy to parallel the MTS and booster ministerial tax-cutting enthusiasm.

At the same time Mrs Thatcher should induce Mr Nicholas Ridley, the taxmen's political master, to call off their drive to reclassify large numbers of the self-employed as PAYE paying employees. On Mr Ridley's own admission, this quiet initiative has, since 1979/80, snuffed out some 100,000 potential small businesses.

Mrs Thatcher's second major drive should be to seize her chance to step up the pace of trade union law reform. Norman Tebbit would be well advised to bring forward his aim to make remaining union immunities conditional on the observance of agreed or reasonable disputes procedures.

Mrs Thatcher should advise on a third front. The preparedness of union leaders to engage in bilateral talks with ministers, even on the most sensitive areas of traditional union power, makes it a good time to

examine the future of existing tripartite economic forums like Neddty, the National Economic Development Council.

Neddty has been talking fruitlessly for years about the inadequacies of Britain's education system to provide vocational training for skilled young people in the quantities a reviving economy will need. Employers and unions have bawled the problem at last. Government has launched a technical and vocational education initiative to provide opportunities for 14- to 18-year-olds. But scattered pilot schemes taking a few thousand youngsters are inadequate to meet a massive failure of the comprehensive educational system. In the new climate, Mrs Thatcher could afford to make the scheme nationwide.

If nationalized industries, union law reform and the remnants of Britain's corporate state can be targeted now, Mrs Thatcher will have the time to tidy up important but tricky individual measures to liberalize the British economy. Occupational pension funds need legislative encouragement to open up the pensions market and strengthen the influence of individuals over their pension capital.

Mrs Thatcher cannot do it all. Employers, too, must play their part. In the new atmosphere more flexible employee communication and bargaining arrangements can be introduced to fill the void left by the increasing irrelevance of old-style British trade unionism. Free enterprise in Britain has rarely had so propitious a climate in which to entrench the principles of a free economy. We would be foolish indeed to miss the chance.

The author is director general of the Institute of Directors.

## Leslie Plommer on the background to the Seychelles elections

**Victoria, Seychelles**

It is a short drive up Liberation Road and on towards the president's house in the green hills behind the capital: to the steep roadside where the accident "happened".

True to the state press law of diminishing stories three days elapsed before the news that was burning the Seychelles grapevine - the islands' most efficient institution - appeared as two short, uninformative sentences inside the official *National newspaper*. Sorry this time, the accident was nowhere near the capital Michael Hoffman, no lover of the one-party government of President Albert René.

Murdered by the army as a night ambush, the whisperers said - and the official version blamed a "luring of anti-thieves". A soldier named a survivor was nowhere near the scene. President René told *The Times*.

Whatever the truth, the accident a fortnight ago was the latest illustration of two facets of life behind the "splendour" of the Seychelles: the government's dictators lead a hazardous existence and most Seychellois fear the worst in such cases of their socialist government and its army.

There are political disappearances and strange deaths in these islands, and the knock on the door in the middle of the night, said a western diplomat who broadly endorses the René regime.

The disquiet and sense of repression persist beneath the surface despite the fact that, as many observers agree, the average inhabitant has derived immense social benefit from this government. Mr James Mancham, the former president now in comfortable financial exile in Putney since being ousted by Mr René in 1977, promoted tourism and incubated at the poolside of an after-hours bar in a Cuban-trained security men - pistols tucked discreetly in leather handbags.

Big improvements in housing and

## Paradise lost: the shadow of suspicion in 'God's country'

a medical system that surpasses most in the Third World are directly credited to the René government, whose people enjoy one of the highest living standards in Africa, though at a heavy cost to the exchequer. The Seychelles "looks like the world as God meant it to be". Mr Mancham wrote in a slim volume of what he calls poetry, still on sale in Victoria.

But after a succession of plots and coup attempts, God's present president and his radio station and airport are under permanent guard, by foreign troops. Mr Read is perhaps mindful that when, as prime minister, he seized power while Mr Mancham was away in London, it was done with only 35 armed men.

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Mr James Mancham, the former president now in comfortable financial exile in Putney since being ousted by Mr René in 1977, promoted tourism and incubated at the poolside of an after-hours bar in a Cuban-trained security men - pistols tucked discreetly in leather handbags.

For the past two years people have tended to be more afraid

President René said. A small, impressive man aged 47, who qualified as a barrister in London after an abortive run at the priesthood, he distinguishes himself from most leaders in the African region by an almost miraculous absence of rhetoric and bombast. These fears... I don't know what has happened. I can't put my finger on it.

The midnight knock on the door is one reason in a country alive with informers. The President, whose desk bears a sign, saying "What a beautiful day. Trust some bastards to louse it up", gets a daily résumé of who is saying what about the government.

For complaints, the only official outlet is through the increasingly centralized party, which reaches into every national organization. But ministers dispute the widespread view that it has ceased to function as a conduit for dissatisfaction, while conceding that some officials are alienated by peddling rhetoric they understand only dimly or not at all.

Tanzanian numbers have been run down from a peak of the 400 who put down the August 1982 coup, army mutiny which left nine officially dead, and, according to President René, 50 Seychellois officers and soldiers still detained. But the Tanzanian presence is still crucial for the government. What I fear is a Sergeant Doe situation," one source said. "Someone who comes from nowhere within the Seychelles army. He could hold this place with 30 trained men."

President René, for his part, says he fears a core of 40 civilian plotters in the islands. And the local population denied informal outlets for expression, safer from a general apprehension they cannot diagnose. Even the young, who generally support the governing Seychelles People's Progressive Party - its candidates stamped back into the National Assembly on a yes-no ballot over the weekend - look over their shoulders as they say: "Nobody trusts anybody in the Seychelles."

Smooth of tongue and round of feature, the doctor who advances his own bedside theory of diplomatic success - "The women of this island taught me frankness and humanity" - has with his balanced approach to non-alignment put the joy back into diplomacy for western envoys in Victoria.

Things were going in the right direction: more pragmatism and less rhetoric, one of them said, looking back to before the recent murders.

Now the gap-between what is said and what is done has, once again become the government's biggest political problem.

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Bernard Levin: the way we live now

## Roll call on the march to freedom

moment on the sidewalk of history and watch them pass by. Can you feel compassion towards this faceless grey multitude? Or does your compassion arise only when you look at another human face and think - if could have been me, they could have taken me, they might some take me to march in these lines of prisoners?

The entries in the book, each of which is meticulously accompanied by its owner's last known address, number some 30,000 which represents roughly 5 per cent of what would be the total if complete records were available. These 30,000, the faceless grey multitude, are those Latvians known to have been deported, after the Soviet Union's seizure of their country in 1941, to the death-camps of Siberia; further mass killing took place in 1945, 1946 and 1949, and the arrests have continued, in smaller number, ever since (the most recent to be included in the catalogue was seized in 1978).

And what you may ask, am I doing reviewing the Swedish edition of the Latvian telephone directory? Has the heat finally got to my brain, or is this some snappy jest? Alas, no, any map with the smallest imagination, as he turns the pages of this extraordinary volume, could be pardoned for wishing that he had gone mad, nor is there, anything about it.

These 30,000 entries, those who have been deported, those who have been arrested, those who have been killed, those who have been tortured, those who have been forced to march, those who have been forced to work, those who have been forced to live in concentration camps, those who have been forced to live in the Baltic States, leadership could at first only come from those already prominent and respected in their communities, clergymen, doctors, business men, lawyers, army and police officers, teachers. So he concluded that if he took up and enforced the most dreadful, but there was more logic to it than Hitler's Final Solution or the Hindu-Moslem and Moslem-Hindu massacres that followed independence for the sub-continent in 1947, and all Stalin's successors, though the mass exterminations no longer take place, have seen the same point and enforced it ruthlessly.

Very well, what is all this about? If the title of the book, *These Names Accuse*, is not enough, the first paragraph of the prefatory matter will provide the answer for those with the slightest knowledge of the history of our tortured land.

This book is a list of names. It is also an endless grey line of prisoners forced to march through the streets of a conquered city. Those who did not share their fate should stop for a

moment on the sidewalk of history and watch them pass by. Can you feel compassion towards this faceless grey multitude? Or does your compassion arise only when you look at another human face and think - if could have been me, they could have taken me, they might some take me to march in these lines of prisoners?

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## A PLAN BY ANY OTHER NAME

On Thursday newspaper front pages carried an advertisement which spoke winningly of moderately-priced housing in limestone villages on the banks of the River Nene, mere minutes from executive desks. This, at the public expense, was Peterborough Development Corporation boasting itself. Nothing controversial in that: The antecedents of Peterborough New Towns are in the great plans for London produced by Sir Patrick Abercrombie in 1943-44 to set out a policy of attracting people and jobs from the capital to new and expanded towns many miles outside his metropolitan green belt.

Abercrombie's containment of the capital worked: London's 1939 boundaries are still effectively in place. Population and employment leap-frogged the green belt in ordered fashion to such planned, prosperous and cohesive towns as Northampton, Basildon and Basingstoke – and in unorderly fashion to contribute to Thames Valley, North Kent and Essex sprawl: the affirmation of a pattern of commuting into London which is viable only on the payment of a large slice of that annual £600m public subsidy which keeps both British Rail in the South East and London Transport afloat.

Not many weeks ago the papers and commercial broadcasters carried the (publicly financed) notices placed by the London Docklands Development Corporation. These poured scorn on greenfield locations distant from the capital. They urged with the conventional wisdom of the era after the oil crisis the opening-up of the unknown but proximate territory beyond the West India Dock Road, and the recolonization of the Isle of Dogs and the Beckton Marshes. The strategy, endorsed again by the Department of the Environment, is to

fill in the waste land within London.

The Department of the Environment last week advanced a third policy. A draft circular urges on district councils (which decide requests for planning permission) liberality towards house-builders on the fringes of green belt land. The Government seems now to be welcoming development not only within the urban core of London but on those prized acres of Kent, Surrey, Essex and Herts as well.

Of course the importance of the circular itself should not be exaggerated. It bears no executive force. Of itself it signals no radical departure from the Abercrombie or the 1947 system, that apparatus of constraints on development set in place by the Town and Country Planning Act. At worst it is an advance warning of how the Environment Department may view appeals by builders.

Until now the Government could be easily convicted of sending confusing signals to developers and planners alike. Mr Michael Heseltine came to office in 1979 fired (verbally) with animosity towards the town and country planning system in general and constraints on house-builders in particular.

Much huffing and puffing ensued. But when it came to hard cases and, much more important, revision of the structure plans of the home counties, his bark was worse than his bite.

But now the locomotive effect of a booming construction industry is too cheering a prospect for ministers who see few other ways out of the economic doldrums. Mr Patrick Jenkins has already drafted a circular to councils asking them to increase the supply of land for house building. Now it seems there is an official recipe for nibbling at the green belts around London and the other metropolitan areas, the contents of which – he hopes for Mr Jenkins's sake – he

has communicated to the MPs for Chingford and Barnet and Surrey whose constituents will be most affected.

There is a case for revision of green belt boundaries: considerable tracts of the land are neither green (sc. used for agriculture or accessible open space) nor much of a worthwhile girdle. The fact of green belt designation has been too often used by the home counties as a mere blocking device in an effort to redirect developments elsewhere and keep up local property values.

But shooting holes in the green curtains around London and the other city regions is justified only if there is some dramaturgy or (breathe the word softly) plan in the background. A conspectus of the entire, south-east region might allow Mr Jenkins wisely to judge that development in Sevenoaks is justified for the better preservation of attractive land in Buckinghamshire. For that Mr Jenkins needs a plan and all he has is the congeries of county plans and the remnants of 1944.

Since the culling of the quangos in 1979-80 killed the last planning organization covering the south east, there is no single body to provide a regional view: the authority responsible for London's strategic planning, the Greater London Council, is shortly to die as well. Where does Mr Jenkins go, beyond his civil servants with their conflicting departmental responsibilities, for an assessment of the commercial effects of the M25's completion – when pressure on green belt land for retailing will become intense?

That there exists no current plan for London's physical future is worrying if it means competing demands on land will be settled ad hoc and with regard only to parochial circumstance. There is apparently no appreciation in Whitehall of the need for a wide review of town and country planning for the urban regions and the capital.

## PREVENTING ANOTHER MASSACRE

The redeployment of Israeli forces in Lebanon is now clearly imminent. Work has begun on fortification of what is to be the new front line, along the Awali river, and logistics and support units are already being pulled back from the existing lines. In addition, Israeli forces have begun closing down the bases and barracks of the Lebanese Phalange in the area south of the Awali.

The political implications of these moves can be variously assessed. The Lebanese government does not like them – officially (and no doubt sincerely) because it fears the new Israeli line will be more permanent than the old, but also because it has serious doubts about its own ability to enforce order, let alone law, in the territory from which Israel is to withdraw, particularly the Chouf mountains.

In favour of the move, Israel herself and (more hesitantly) the United States are arguing that the withdrawal should not be seen as a final partition of Lebanon but as a step towards implementation of the Israeli-Lebanese agreement of May 17, under which all Israeli forces are to be withdrawn from Lebanon. President Reagan has even tried to convince himself that the sight of Israel "starting to move" will be ready to move.

hope for is to mitigate some of the worst effects and to prevent some of the worst outrages.

A classic case of a foreseeable and preventable outrage was last year's massacre at Sabra-Chatila, after the over-precipitate withdrawal of the multinational force which had supervised the evacuation of PLO forces from Beirut. President Reagan rightly recognized at the time that America's word was thereby dishonoured, since Mr Habib, through Lebanese intermediaries, had assured the PLO both that Israel would not occupy West Beirut and that Palestinian civilians would be protected.

Since then Phalangists and other right-wing Lebanese groups have continued to harass, evict and on occasion assassinate Palestinian civilians in southern Lebanon. The Israelis, with varying assiduity, have held this activity in check, but there is a real danger that their withdrawal to the Awali will be followed by a new massacre, since some five to seven thousand Palestinians, mainly women and children, are still living in the area to the north. Unfortunately neither the will nor the ability of the Lebanese army to prevent this can be taken for granted. The multinational force must be ready to move.

## HOME TRUTHS FOR GENERAL JARUZELSKI

The cosmetic lifting of martial law has done little to make the Jaruzelski regime more acceptable to the Polish people. Underground leaders of the banned trade union movement Solidarity have declared their intention of continuing the struggle for civil rights; they dismiss the repeal of martial law as an attempt to mislead the public and inveigle the West into lifting sanctions. A leaflet signed by Zbigniew Bujak and four other fugitive Solidarity leaders calls for a two-hour boycott of public transport in Polish cities on August 31 to mark the anniversary of the 1980 Gdańsk agreement between Solidarity and the Government.

General Jaruzelski will doubtless take counter-measures – even if he can think of nothing better than giving party and government officials time off to ride on the buses – but the regime remains in the weak position of responding with repressive measures to the actions of the population and seems quite unable to offer positive leadership at times of crisis. The fate of the party commission appointed two years ago to examine the causes of political strife is highly instructive.

Headed by Professor Hieronim Kubak, a man of relatively liberal views, the commission submitted a report commending the recurrent crisis in Polish life on

bad government rather than subversion by "Western espionage agencies" as is claimed in the official media. Professor Kubak was dismissed from his post as Party Secretary for Cultural Affairs and recently expressed doubt as to whether the report could ever be published in full by the party-controlled media. It condemns the centralized system of authority from the fact that its main criticisms are still relevant not only in Poland but also in the USSR and other communist states. A major point is that the absence of any mechanism for democratically changing top leadership leads to "autocratic practices" by which power remains firmly in the hands of the party leader. When top party and government posts are held simultaneously by one person "incompetence cumulates at twice the rate". It was the lack of understanding and of paying no more than lip service to the institution of socialist democracy. Empty propaganda about achievements had irritated the population and "had a detrimental effect on the intellectually inadequate leadership, who chose to use manipulation rather than strategy as a way forward".

The report states that the bureaucracy became a self-generating clique with an intense aversion for any reforms that might lead to replacement or loss of privileges. Important posts were filled with party members selected by a process of personal connexions that paid little attention to competence or moral fibre. "The people who joined the party were without ideological commitment but had an ambition to climb the ladder of privilege." The chasm between rulers and ruled was deepened.

The suppression of the Kubak report follows inevitably from the fact that its main criticisms are still relevant not only in Poland but also in the USSR and other communist states. A major point is that the absence of any mechanism for democratically changing top leadership leads to "autocratic practices" by which power remains firmly in the hands of the party leader. When top party and government posts are held simultaneously by one person "incompetence cumulates at twice the rate". It was the lack of understanding and of paying no more than lip service to the institution of socialist democracy. Empty propaganda about achievements had irritated the population and "had a detrimental effect on the intellectually inadequate leadership, who chose to use manipulation rather than strategy as a way forward".

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Among the many prisoners who have "disappeared" are Beatrice Kyomugisha, a university lecturer, arrested by soldiers at her university residence in September 1981, reportedly detained and tortured in

## Questions on tougher prison regime

From Mr Martin Wright

Sir, The Conservative Party conference may be tempted to echo demands for "tougher" prisons, since hanging has been decisively rejected. Such demands should be resisted, not from misguided sympathy for criminals, but for reasons of justice and prudence.

The problem of dealing with high-security prisoners, however, will remain. Either the 200 to 300 of them must be dispersed among the 2,400 top security prison places, which imposes unnecessary (and therefore unfair) restrictions on the low-risk prisoners who fill the remaining places; or they must be concentrated in one or two small units where many would be far from their families, facilities would be limited, and if they fell foul of staff or other inmates, there would be nowhere to move them to, as the Advisory Council on the Penal System rightly pointed out.

In our book on the Hull prison riot of 1976, R. Pooley and I explored the relationship of this policy to the riot. We also discussed the relationship of Mr Abe's and the

recommendation of the Radzinow report of 1968 that category A prisoners should be dispersed.

I pointed out to the Cambridge Cropwood conference in 1976 that Mr Abe had given us a vital clue, in his autobiography, to the mystery of why the dispersal policy was implemented in the face of opposition from almost everyone, including governors and the Prison Officers' Association. From the implementation of this policy, has come riot and brutality as well as gratuitous restriction on non-category A prisoners who are located in dispersal prisons.

In our book on the Hull prison riot of 1976, R. Pooley and I explored the relationship of this policy to the riot. We also discussed the relationship of Mr Abe's and the

recommendation of the Radzinow report of 1968 that category A prisoners should be dispersed.

Mr Abe's account is at least frank. He was, he wrote, "totally prejudiced", and his embarkation on a revolutionary tactic was "cynically decided". Indeed, And this "prejudice", and a decision in advance of any inquiry which ignored the experience of staff and the wellbeing of prisoners, has led the prison service in a sorry state. The revelation of such cynicism in policymakers at least makes policy-making intelligible. It also illustrates again upon what weak foundations Peter Evans's article (August 2) is built.

Repressive measures degrade us who inflict them, provide ammunition for subversives, and provoke other prisoners into joining protests. Many of these problems would be reduced if, instead of trying to refine punishments we looked for ways of rewarding offenders to make amends.

Yours sincerely  
MARTIN WRIGHT,  
107 Palace Road, SW2

## Brush with the law

From Mr John Hadfield

Sir, How often one hears people say: "Nowadays it isn't safe to walk the streets of London after dark". May I quote an example?

One of my relations, a quiet young man, on leave from a teaching assignment in the Sudan, met some former colleagues in North London one Friday, and spent a convivial evening with them. About midnight, he was walking alone towards his parents' home in Hampshead. He was aware that he had had too much to drink, but was walking in a straight line, neither singing or shouting, nor breaking up the surrounding property. He had not spoken to anyone since he had left his friends.

A police car came alongside and he was asked to accompany the police to the station. He asked why.

Whereupon the police threw him to the ground and handcuffed him, tightly and painfully behind his back (the webs on his wrists were still visible four days later). Whilst

he was alleged to have used "bad language" (he had merely expostulated rather vehemently).

On legal advice the young man was asked "Guilty", because if he had contested the case it would have had to be adjourned and he was due to return to his job in Africa in a fortnight. He was fined £25.

Until this occurred I had read with scepticism the frequent press reports of "police harassment". Now I am not so sure. Thank goodness Bertie Wooster and his festive fellow-members of the Drones Club are not living at this hour.

Yours faithfully,  
JOHN HADFIELD,  
2 Quay Street,  
Woodbridge, Suffolk.

EDWARD BLACKWOOD,  
Blandford.

August 4.

When the only evidence offered was in written form, stating he had been seen to be of being involved in a motoring incident, and as the police approached him he was seen to

"threaten a passing motorist with clenched fist" (he was trying to thumb a lift). When being arrested he was alleged to have used "bad language" (he had merely expostulated rather vehemently).

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Yours faithfully,  
EDWARD BLACKWOOD,  
Blandford.

August 4.

In this days of much criticism of the police may I show the other side of the coin?

A short time ago my father-in-law suddenly, on holiday in Cornwall whilst we were also on holiday in the north of Scotland.

This resulted in at least three police forces having to make separate inquiries and visits, and throughout all of them displayed the utmost patience, sympathy and assistance which I should be glad to place on record.

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## LETTERS TO THE EDITOR

### Modest proposals on work for all

From Mr Ronald W. Davis

Sir, I was pleased to see the recent letters in your columns (Messrs Hodgkinson and Beeson, July 28, and Mr Eden-Green, August 3) showing that these gentlemen understand the real nature of the phenomenon we call unemployment.

It is obviously clear to them, as it is to me, that a completely new attitude to the work contribution required of each of us has now to be developed. I am not sure how this can be done and it would be presumptuous of me to think that I could solve the problem alone. However, one thing, I believe, is clear; we, as a society, can generate all the wealth we need, and more, with each of us working less and less each day passes.

Equally clearly, we have not begun to produce a social system to take advantage of this state of affairs. The frequency of the use of the slogan "putting the people back to work" shows the lack of appreciation of the situation, often by those who aspire to high office.

I submit that the proper philosophy must be that we create the wealth required in the most efficient way, using the least amount of all resources, including the time and effort of people. This has been, for many years, the principle task of engineers and of many scientists.

There is nothing holy about being employed for 35 or 40 hours each week and yet many influential people seem to think that only this level of application to work is acceptable and proper. Applying this argument, about 85% of the active population are used to produce all the wealth required by everyone. The other 15% is "doled" a pittance of that wealth while the 85% use their collective muscle to get an ever bigger share.

While those charged with managing our society, and those who aspire to do so, appear not to understand the situation, your previous correspondents all appreciate the problem and some offer solutions. To this end, and to attempt to publicise and identify the problem, the Chester and North Wales Chamber of Commerce are organising an open conference in the autumn on the subject of



## THE ARTS

Galleries: Michael Ratcliffe, in Vienna, reports on the flowering of exhibitions and entertainments to mark the tercentenary of the city besieged by the Turks

## How devils became delights

It was almost as if "Was ist der Turk?" demanded the Augustinian firebrand Abraham a Sancta Clara in the early 1680s, proceeding at once, as firebrands will, to provide the answer. The Turk was the very simulacrum of Antichrist, he was decadent filth, ein verdammtes Weßstrinker, the hound of hell unchained.

Before many months were up, the hound of hell had stormed through Hungary, taken the suburbs of Vienna and was mining, with every sign of success, the walls below the Hohburg itself. The royal family had bolted, the citizens were eating donkey and cat; nothing but the relief of Vienna from the north stood between the all-conquering Ottoman army and Louis XIV, conspicuously inactive but watchful on the far side of the Rhine. Europe, in the time-honoured phrase, held its breath.

Vienna is celebrating the tercentenary of the traumatic second Turkish siege with a series of exhibitions and entertainments between now and the end of October. Asia begins not at the Landstrasse this summer but a mile or so away on the Kärntnerstrasse where the front of the Künstlerhaus is smothered in the enormous and jubilant replica of a Turkish campaign tent, and a large exhibition, *The Turks Before Vienna: Europe and the Decision on the Danube 1683*, flows across the road to the austere Historical Museum of Vienna, whose show it actually is.

Booty — sabres and banners, rifles, lanterns, tobacco tins, travelling tents of the Koran, carpets, saddles, turbans and drums all left behind in the Turkish rout — has returned to Vienna from all over Europe, and been added to maps, letters, diaries and paintings from the city collections and beyond. By far the most frightening objects on display belong not to the terrible Turk but to the uniforms of John Sobieski's Polish Hussars, loaned from the National Museum in Cracow; great feathered wings grow out of their backs like angels of death. In the simulated battle, and sole concession to bloodthirstiness, at the heart of the show, the Turks are culturally clobbered into the ground, like the Old Believers in Mussorgsky's *Khovanshchina*, by the brutal and triumphant imperative of baroque brass. Elsewhere, all is sobriety and circumspection.

Had Vienna fallen, perhaps The Most Christian King in Versailles would have delivered the致命 blow to Islam somewhere in Germany, with modest assistance from us; or perhaps he would have cooked up a deal with the Sultan beside which a



Turkish barber's shop, from *Austria and the Ottomans*

carve-up of "influence" at Yalta and Potsdam in our own time would have looked innocent indeed. Louis is represented in the Künstlerhaus by a boyish but resonant signature on the treaty concluding the Thirty Years War, and by a suitably mean portrait from the French national collections: the right arm is languidly extended in that conventional gesture of the time which becomes so familiar as you walk round this show.

Painters had a hard time of it honouring the great day with the human material to hand. None of them attempted to make Sobieski or the Emperor Leopold I look other than they were: the hump-backed Sobieski, whose intervention was decisive, more like a steward than a king; Leopold, whose depressing face follows you round from room to room, like a dog who knows its day will never come, as the Epped quintessence of Habsburg inbreeding, who would rather dress up and write operas than repel the Turk. (Two of his pieces — *Il tutto dell'universo* and *Il figlio prodigo* — were given at the "Universität" Church in Vienna last month.) In fact, the dog's day did

come: Leopold used — with some brilliance the victory he had done so little to achieve, but he never strode past pampered jades of Asia into the Grand Vizier's tent in the manner depicted here.

He was still prudently way up-stream when Poles, Lorraines and Bavarians came bloodily down through the vineyards of the Wienerwald in the nick of time. After fierce fighting, the overparted Turks fled — leaving behind them, according to Viennese lore, the coffee-house, the croissant, the horse-chestnut, the filz, the Turkish bath and the military band, all marvellous embellishments of Austrian life to this day.

These benefits did not all arrive overnight, of course, but there has always been an ambivalence to Austria's relations with the mortal enemy in the East which has tempered her required militancy with quizzical delight. Within twenty years of the siege, a Turkish delegation to Vienna was charmingly pictured playing games outside their lodgings in the city; in the 1740s a Turkish ball was held in the Winter Riding School and Maria Theresa was painted in Turkish dress. *Alla turca*, based on the firm thwack of the Janissaries' band, was a popular musical mode for more than half a century, and "the magnanimous Turk" a stock figure of Rococo and early Romantic drama: fewer than a hundred years separate the hound of hell unchained from Mozart's Pasha Selim. *The Turks before Vienna* follows the popular "memory of 1683" through these and other themes as far as the *Jugendstil* version of Theresian Ottomania: Alfred Roller's designs for *Der Rosenkavalier* in 1910.

We are a long way from 1683. Or are we? Like all large historical exhibitions, this one is subtly coloured by the context of today. We live in ecumenical times and expectations of *détente*. The Austrians, like the Swedes, strive for a creative non-alignment between the political systems which have replaced the seventeenth-century confrontation of Christianity and Islam, and this exhibition reflects these claims to cosmopolitanism with painstaking fumfinedness.

Not only does it stress the military and diplomatic contributions of the Poles and Vatican respectively to the splendour of Vienna, it expands on the splendour of Ottoman civilization that would have been less than apparent to the towns and villages of Hungary and Lower Austria in 1683. To this end, a selection of Turkish textiles have been loaned by the



Girls making music, from *The Turks Before Vienna*

Fitzwilliam Museum, Cambridge, which are among the loveliest things to be seen in Vienna this summer, but the approach pulls the show in too many directions at once, particularly when the iconography of the main event is limited, as here. One representation of the breakthrough on the Kahlenberg, after all, is much like another.

More successful, because smaller and more single-minded, is *Austria and the Ottomans* at the National Library, which takes the theme of ambivalence and intelligent curiosity and sticks to it. Through nearly four hundred books, documents, letters and prints, this exhibition follows the history of a fascination from the fall of Constantinople in 1453 to the

wartime alliance of 1915: magnificent calligraphy, journals of men in the field, scenes of Turkish life.

"On trouve encore," wrote a privy councillor from Lorraine in his diary of the campaign, "des janissaires que les turcs va avaient laissé à la garde de 3 mil sacs de biscuits. On pris les janissaires et on distribua les biscuits à l'armée." And not before time, he added. One small incident in a very rough war, straightforwardly set down and read beneath the very summit of the Viennese Baroque which, but for the events of 1683, would never have flowered at all. Fischer von Erlach's incomparable library, brings the whole year to life. Three thousand sacks of biscuits and *Austria Triumphant*.

It is becoming easier all the

## Promenade Concerts

## Hippolyte et Aricie

Albert Hall/Radio 3

Rameau's glorious, long-prepared first opera arrived at the Proms on Saturday from Aix, where it was seen by Hilary Finch for this page. The chorus, orchestra and conductor remained the same, and so did many of the principals, but of course we were without the production by Pier-Luigi Pizzi and instead into the dried territory of the "semi-staged" performance. With singers in evening dress gesturing vaguely, the effect was of a game of charades entered upon without much zest. It was best to keep one's eyes on the libretto, generously provided with the programme, and let the music tell its own story.

This it did. The problems of the Rameau style are enormous, involving, besides all the period conventions, a quite special fusion of luxurious sophistication with an almost naive directness. These are characters who belong in a highly formal world, bounded by rules that had lasted for three generations in French opera, and moved by the same emotions of noble self-sacrifice, love, jealousy and distaste that had become ever more refined in their expression, and yet Rameau makes them speak afresh, with luminous candour. It is a fragile combination, requiring from

the singers both polished ornateness and a palpating vulnerability.

John Alen and Rachel Yalor as the title couple achieved this excellently. So, too, did Suzanne Flon as the terrible pretences of Diana's music, the goddess, careless of human beings in her pursuit of sport and *amour propre*. Jennifer Smith, who had been Diana in Aix, moved to the centre of the action as Pamina, and brought to the role a stylishly cool yet penetrating characterization matched by beautifully poised singing. She discovered the emptiness of spirit in Rameau's Phaedra, and also, in her marvellous, quick-moving scene with Hippolyte, the nerviness. There was also a new Theseus in Ulrich Cold, a towering figure who could not save the lame second act but became splendid later in the opera, allowing a natural voice to sound through the embellishments of the vocal music.

Splendid support came from others, including Jules Bastin as three paternal divinities and Jean-Claude Orsiac displaying a tight, light tenor in various small parts. The Monteverdi Choir held a small, lively and exact team, and the English Baroque Soloists, under John Eliot Gardiner, showed they knew every yearning sigh in the score, every tripping dance step.

Paul Griffiths

precedes the final yearning for death.

Isobel Buchanan sang with an aptly darkish voice, although there could have been more sparkle and, in places, more accuracy in her reading. Ralph Holmes, the violinist, gave his part with an appropriate capriciousness, here tender, there wifly, while Mr Davies and the BBC Symphony Orchestra were mercurial and sensitive to the gloriously wrought textures.

Earlier, we had been given, in Schubert's "Unfinished" Symphony, a fair indication of Mr Davies's extraordinary ability. There, he chose spacious tempos and kept every detail in immaculate perspective, never allowing a tune to blossom too rapidly and never losing the effect of a wind chord or string tremolo through understatement, exaggeration or carelessness.

Such attention to detail equally benefitted Stravinsky's *Rite of Spring*. Far from depicting an uncontrolled brutality, which it sometimes seems to do, the work was heard as a picture of a highly stylized ceremony. And how refreshing to hear all the violins' semi-quavers at the end of Part I, not to mention the host of other usually submerged details.

Stephen Pettitt

## Parts I-IV

## Riverside

Michael Clark's new work is a strange mixture: the first half (which was premiered recently in France) and works very well without the rest) almost entirely successful; the second half attempting an interesting effect with pre-recorded video sections, missing its aim, but recovering to a characteristically provocative finale.

He calls it simply *Parts I-IV*, each being about a quarter of an hour, and performed with only one interval. Part I is a development of the choreographic style he developed for his first ballet, *of a feather flock*. After a child has kicked off with a Scottish dance solo, others enter and develop contrasting themes. Clark allows relationships to develop briefly between pairs of dancers, adding an extra emotional charge to otherwise abstract patterns, and shows great skill in varying the

focus to draw them back into the group.

Three good dancers borrowed from Ballet Rambert, Catherine Price, Ilky Maas and Hugh Craig, carry the main choreographic weight, while two other men, Stephen Goff and Gregory Nash, add a kind of ground bass and Gaby Agis imposes a keen individual style that complements Clark's own.

In Part II, also an ensemble work, part of Bartók's Music for Strings, Percussion and Celesta provides an atmospheric break from the pop or electronic music used elsewhere, and the mood of the dances changes to match its threatening manner.

Clark moves into a more prominent role as the victim of the nightmare incidents. After the interval, the stage is left entirely to Clark, a tough-looking young man in boots whom I imagine to be his video collaborator, Cerith Wyn Evans, and three television sets on wheeled trolleys, complete with video machines. The idea of showing fragmented sections of one dance, from different

angles and out of synch, has possibilities, but with small screens in a large room it does not work. From the third row, I could just about follow in what about those in the tenth row? Adding a live dancer dimly glimpsed in the darkness behind compounded the problem.

For Part IV, television

evening's programme, plus

shots of some flowers burning — there's a video nasty for you

provided only a decor, while Clark performed a long, individual and fascinating solo,

wearing a costume at first sexually ambivalent and finally specifically feminine when he changed into a man and wavy white rags. A packed house seemed nonplussed, but applauded the dancing.

John Percival

## Scheherazade

## Festival Hall

With full houses all week for

their Fokine triple bill, Festival Ballet are probably not too worried about their notices, but I think their revival of *Scheherazade* would have been more favourably reviewed all round if they had put out the second cast on the first night. Lucia Truglia and Bert van Cauwenbergh brought the old work to life in a way the opening cast had been unable to do.

Truglia was one of two Italian dancers I saw as Zobeide, the other being Renata Calderini, who made her debut on Saturday afternoon. Those two could hardly be more unlike in their interpretations, but they share a whole-hearted quality and they are unafraid to let the audience see that the baller is about sexual desire.

John Percival

Truglia makes the point in the opening passage by the way she fondles the ankle of the Shah, at whose feet she is lying. Once her master is away and her favourite slave out of his cell, she knows how to give the corny old routines the shock

value that first made the baller's reputation back in 1910.

Whereas Truglia plays Zobeide as a hot-blooded woman, Calderini makes her a little girl. That is not what the choreographer intended, but it does make sense: explaining the Shah's patronising fondness, her quick piqûre at the slightest neglect and the amazed delight with which she gazes at the Golden Slave just like a new

Queen's Award to Industry.

Billy is streetwise, contentious of school though dissatisfied with the aimless braggadocio of the gang ethos, adept at pilfering ciggies, holding up the habitudes of the local and

scrambling out of the classroom window and over the wall when he decides he has had enough of school for one day. His home is depicted with a vehemence that initially teeters dangerously near *Monty Python* send-up.

Bingo-obsessed Mum emerges from near-catatonic trance to revile the family: Billy and sister exchange sibling bashing: unended television competes inexorably with baby's screams. An urban equivalent of *Cold Comfort Farm* would be like this.

But the producer, Keith Richardson, has an eye for the desperate toughness of rundown urban life grinding to a halt, as we know it from *Harry's Game* and the director, Gordon Flemyng, coaxes awesomely convincing performances from both the humans and the landscape of Liverpool itself. Grubby, dusty, stale, this is a sea of vandalized estates and demolition sites where bored and hopeless youth spoils for a fight or resorts to violence for sheer self-preservation.

Dave Morrissey's Billy, tactfully conveying the first stirrings of bovine sensitivity and articulate yearnings for something better, leads a frighteningly authentic cast. His flight to Wales in search of an idyllic memory will be hard put to it, in the next four episodes, to live up to the grim promise of this powerful semi-documentary opening.

## Television

## Grimly authentic

Time was when the Mersey bid fair to become our own Swannine River. Along its banks the quaintly underprivileged grimly survived with lugubrious humour, wry resilience and a patois recognizably English but delightfully idiosyncratic. They even evolved their own music. For a time, after their discovery in the Sixties, they were lovable.

Conventional wisdom (ie, television) has now relocated Merseyside on the Styx, in one of the less suburban circles of hell. The first episode of *One Summer* (Channel 4) ploughed us into a cross between *The Blackboard Jungle* and *West Side Story*, where apathetic passers-by, refuse aid to the mugged, juvenile gang brandish knives and not curries over disputed territory, and even the most sympathetic teachers are robbed by schoolboys whose smooth organization and impeccable teamwork mark them out as future candidates for the Queen's Award to Industry.

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Martin Hoyle

## PUBLISHING

## Law against justice

It was widely noticed the other day that Frederick Warne, Bedford Square publishers of Peter Rabbit and the other animals in Beatrix Potter's delicious menagerie, had been sold to S. Pearson & Son, owners of the *Financial Times* as well as Penguin Books.

What was less commented upon was that, on the same day, Messrs Warne made an unqualified apology in court for publishing a libel of the 92-year-old Lieutenant-General Sir John Everts. They also paid his expenses and are to make an appropriate contribution to a charity of the General's choosing. Messrs Warne had, in *Our Enemies in France* by the military historian Anthony Mockler, published a book which questioned General Everts' judgment and ability in 1941 when he was a divisional commander during the dispute between Britain and the Vichy French in Syria. Mr Mockler also referred to him as "Mad Jack" and made other uncharitable comments.

Mr Mockler is a fairly swashbuckling character and he may or may not have checked whether General Everts was still alive. Had he not been, no libel would have been perpetrated because the dead cannot be libelled. I would not want for a second to suggest that Mr Mockler and Messrs Warne, by publishing the book (and custom has it that, although they are involved, printers and booksellers are not usually indicted), did not commit a libel. The court has adjudicated that they did. What I would submit is that for a statement or opinion to cease to be libellous, or potentially libellous, merely (yes, merely) because someone has had the misfortune of dying may make legal sense but not in terms of commonsense, letters, adaptability and freedom of expression.

Had Mr Mockler's book been published after General Everts's death, his family and friends clearly would have been upset by the untrue things said about him but, paradoxically, because they could in law do nothing about it, Mr Mockler's assessment would have been but one in the common pool of views about General Everts. Another author could have refuted Mr Mockler with appropriate evidence and argument, both in the public prints and in a book. It is becoming easier all the

time for those who believe

themselves, for whatever reason, to be depicted unfairly in books, or who would simply like to have a go, to reach for a writ and take action, and the libel laws being in the condition they are, for them to have a sporting chance of winning, and having a book withdrawn from circulation. If Mr Mockler, as a fairly well-known historian, is as



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and  
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## STOCK EXCHANGES

FT Index: 723.0  
FT GIfts: 79.03  
FT All Share: 450.87  
Bargains: 20,026  
Dastream USM Leaders  
Index: 97.67  
New York: Dow Jones  
Average: 1183.29  
Tokyo Nikkei Dow Jones  
Index: 8,946.66  
Hong Kong: Hang Seng  
Index: 1028.25  
Amsterdam: 148.1  
Sydney: AC Index: 588.8  
Frankfurt: Commerzbank  
Index: 984.20  
Brussels: General  
Index: 132.04  
Paris: CAC Index: 131.4  
Zurich: SKA General: 204.0

## CURRENCIES

LONDON  
Sterling \$1.4855  
Index 24.3  
DM 3.9875  
Fr 12.00  
Yen 362.50  
Dollar  
Index 129.0  
DM 2.6810

NEW YORK  
Sterling \$1.4870  
INTERNATIONAL  
ECU 0.571595  
SDR 0.706664

## BOARD MEETINGS

TODAY - Interim Anglo Nordic Holdings, Edinburgh Securities, Grosvenor Group, Manchester Ship Canal, Relyon Group, Finnis Allis Investment Trust, Euston Centre Properties, Murray Caledonian Investment Trust, Capita Asia, Gstaad Convention and Investment Trust.

TOMORROW - Interim: AARONSON, Adams and Gibson, Barstow-Eves, Commercial Union Assurance, Ellerman Lines, Fleming Mercantile, Heywood Williams Group, W Jackson, Ocean Transport and Trading, Renown Incorporated, Rotex, and Smith and Nephew.

Finis Crouch Group, Reardon Smith Line, United Packaging, WEDNESDAY - Assurance, Foreign and Colonial Investment Trust, Fins Brothers, Securicor, Security Services, Finnis Cooper Industries, English Association Group, Ewart New Northern, General Accident, Fire and Life Assurance, Parkfield Foundries, Property Security Investment Trust.

THURSDAY - Interim: BOC (Quarterly), IF and JH Braine, Davies and Metcalf, East Lancashire Paper Group, F and C Enterprise Trust, L & C Foundations and Engineering, Plessey (quarterly), Hartcamps (Great Britain), Royal Dutch Petroleum, "Wall" Transport and Trading, T1 Group, Ultramar, Williams Holdings, Finnis London and Gartons Investment Trust, Star Computer Group, FRIDAY - Interim: Alliance Trust, Ault and Wiborg, Prestige Group, Finnis Owen and Robinson.

## ANNUAL MEETINGS

TODAY - Brangreen Group, Great Eastern Hotel, Bishopsgate, EC2 (10.00); Leg Group, Gizean Hall, 9 Montague Close, SE1 (12.15). TOMORROW - Charter Consolidated, Conson Suite, London International Press Centre, 78 Shoe Lane, EC1 (noon). WEDNESDAY - Tsr, Products, Grosvenor House Hotel, Park Lane, W1 (noon); Brown & Tawse, Kingsway West, Dundee (noon); Chubb & Son, Hyde Park Hotel, Knightsbridge, SW1 (noon); Comfort Hotels International, Rainbow Suite, 99 Kensington High Street, (entrance Deny Street) W8 (10.30); Petrow Holdings, Portland Estate, Kirkgate, York (noon). THURSDAY - Robert Fleming Holdings, 8 Crosby Square, EC3 (noon); Morgate Mercantile Holdings, Chartered Accountants' Hall, Morgate Place, EC2 (noon); Symonds Engineering, Room 100, Great Eastern Hotel, Liverpool Street, EC2 (11.30). FRIDAY - Memory Computer, Berkeley Court Hotel, Lansdowne Road, Dublin 4 (11.00).

Japan wants  
cheaper coal

Japanese steel companies are to ask for significant reductions in the price of Australian and Canadian coking coal to be shipped under long-term contracts.

The aim will be to bring long-term prices more in line with price cuts won in this year's round of annual price negotiations when Australian shippers accepted cuts of about 20 per cent.

The Japanese are concerned over the wide gap between long-term contract prices, established while the market was near a peak, and the present market price for coal.

• Turkey's economy is likely to grow only 2.9 per cent this year compared with 4.8 per cent which had been planned, according to the State Statistics Institute which estimates that inflation will be 30 per cent instead of the 20 per cent target. The trade deficit for the first five months of this year was \$1,500m (£1,013m).

• BRAZIL's inflation rate last month rose to 13.3 per cent and 12.3 per cent in June and 11 per cent in July last year.

Gatwick rail link is favourite for privatization experiment

## Lawson may let state industry raise private cash for special projects

By Edward Townsend, Industrial Correspondent

The Treasury has reluctantly agreed after years of study and argument to consider an experiment in private fund-raising by the nationalized industries. The move could mark a shift away from the Government's rigid privatization programme.

Under pressure from employers and the trade unions, Mr Nigel Lawson, the Chancellor, has agreed that a volunteer from the ranks of the state corporations could be allowed to raise private capital for a specific project.

Top of the list is likely to be the British Rail plan to launch a bid to finance the upgrading of the Victoria to Gatwick rail link, which could involve several millions of pounds of investment, Sir Peter Parker, BR chairman, and Sir Adam Thomson, chairman of the Gatwick-based British Caledonian airline, are both in favour of a "dedicated" privatized, rapid rail service.

The airport's expansion and its growing popularity among travellers, could make the rail

link highly profitable, it is argued, as well as provide some private finance for the upgrading of BR stations on the route and for improved rolling stock.

Other possibilities are combined heat and power schemes to be financed jointly by electricity boards, local councils and private capital, and new road schemes financed privately with the capital repaid by the state and raised from tolls or royalties from users.

Discussions between the

Government and state industries over the raising of private finance have been overshadowed by the strong commitment of Mrs Thatcher's Administration to full privatization of the nationalized sector. Ministers have been keen not to be deflected from this goal by talk of joint financing deals.

However, Mr Lawson came under strong pressure at last week's meeting of the National Economic Development Com-

cil, which he chairs, to acknowledge that handing-off to the private sector may take many years in the case of some industries in the meantime reliance on public funds could be reduced by raising funds on the private market.

The controversy over nationalized industries' access to private finance goes back at least to the autumn of 1981

when a working party was set up to investigate the issue. It included representatives of

## £3,000m gas sell-off proposed

The Government is considering plans to raise £3,000m from the sale of shares in the British Gas Corporation. The move to sell a 51 per cent stake in the company by floated shares on the stock market would constitute the second largest privatization measure by the Government after the proposed sale of British Telecom.

Mr Peter Walker, the new Energy Secretary, and his fellow

ministers at the Department of Energy, have made a review of the privatization plans a priority since taking office. They are expected to present a range of options to the Cabinet in the autumn, including possible privatization of much of the electricity industry and perhaps some mining operations.

Discussions over the sale of some parts of the gas corporation, including the gas show-

rooms and various on-shore and off-shore oilfields, have already reached an advanced stage.

But the Government has yet to decide whether to float a new public company to privatize its oil assets or sell them by action. A decision on selling the gas showrooms separately has also been delayed by fears that consumer safety may be put at risk by a hurried sale of assets.

CBI, TUC and the Nationalized Industries Chairmen's Group (NICG) and was chaired by Sir William Ryrie, then a permanent secretary at the Treasury and now permanent secretary at the Overseas Development Administration of the Foreign Office.

The working party's report said that funds raised by the private sector could be additional to money provided from the National Loans Fund and need not affect the public sector borrowing requirement because Government guarantees on borrowings could be exceeded.

But there are some uncomfortable signs that luck may be running out already for Mrs Thatcher's second administration.

The problem is widely considered to be the dollar. In the absence of corrective action by the Federal Reserve Board the pressure on British interest rates should intensify. But the Prime Minister has a strong dislike of high interest rates.

A progress report presented to last week's Neddry meeting by the Treasury and the NICG said that, despite a considerable amount of work no private finance had been introduced into nationalized industries or other public sector investment.

but in that case tighter restrictions on the money supply could also hinder recovery.

The temptation to let sterling bear the brunt may paradoxically be increased by the fact that inflation will rise again next year anyway. It may not matter much politically whether price rises are 7 or 8 per cent by the end of the next year.

In any event, the Government must accept that the bottom of the interest and inflation rate cycle has been passed. If base rates can be held to only 12 per cent by the end of next year the Government should not grumble.

In that event, ironically, real interest rates would be appreciably less than today. The shape of the yield curve would depend greatly on how the markets viewed inflation long term, but the higher short term nominal rates seem likely to bring gross domestic product growth down to below 2 per cent again.

The size of the Government's problem, therefore, is that even if it lets the pound - the least rigid variable - depreciate, interest rates will go up by enough to raise the spectre of the recovery petering out in 1985.

Inflation will rise faster, and hopes of reducing the growth rate of unemployment, let alone cutting the number of jobless absolutely, will be dashed. What will be the options then?

## City Editor's Comment

## Options run out on interest rates

There comes a stage in the life of all governments when events seem to foreclose the options. British governments, in particular, have wrestled vainly with the economy in the post war period, and the last Conservative Administration was apparently luckier than many, if unemployment is exceeded.

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Another criterion was that state industries should increase efficiency to pay for the extra interest they would incur on private money.

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## IN BRIEF

• Nigeria has reached agreement with the International Monetary Fund on a loan package to help it out of its economic crisis, the transport minister, Mr Umaru Dikko said yesterday. He said the IMF had not insisted on a devaluation.

• Rolls Royce is to supply two turbines, which will use flared gas to produce electricity in Rivers State, Nigeria, under an Export Credits Guarantee Department-insured loan of £19.5m.

## P&amp;O chairmanship statement due today

By Andrew

Cornelius



Inchcape expected to step down

Lord Inchcape, chairman of P&O, has promised to make a statement to shareholders today on the future of the company. The move comes after growing speculation that he is about to be replaced as chairman by Mr Jeffrey Sterling, recently appointed as deputy chairman.

A decision to hand the chairmanship of P&O to Mr Sterling has been widely anticipated since Trafalgar House launched its £300m takeover for the P&O shipping and property group.

The appointment of Mr Sterling would heighten speculation that P&O is preparing to merge with Town & City Properties, the property group which he also chairs.

Mr Nigel Brookes, chairman of Trafalgar House, has previously indicated that he would not go ahead with the takeover bid if P&O were to merge with Town & City.

The Trafalgar House bid has already been delayed by the decision to refer the proposed takeover of P&O to the Monopolies Commission.

But the emergence of Mr Sterling as a candidate for the chairmanship of P&O is seen as a potentially greater threat to the takeover attempt.

Lord Inchcape, Mr Richard Adams, chief executive of P&O, and Mr Oliver P&O's managing director, were all due to retire at the time of the Trafalgar House bid, but decided to stay on until the bid was out of the way.

But City institutions have not been happy with the way in which P&O handled its early defence of the bid.

Arms group seeks to raise £43m

By Our Financial Staff

International Signal & Control Group, the US-based electronic weapons company which won a London stock market quotation last year, is launching a big fund-raising.

Activity in the spot market, where excess oil supplies are disposed and shortfalls in deliveries made up, has been increased by fears of production losses from the BP Forties field where accidental damage has closed one of the four production platforms.

The group hopes to raise £43m from an offer for sale of 34.6 million new shares at a minimum tender price of 125p. At the same time, existing shareholders will be given one free share for each share already owned.

The funds will be used to pay for the acquisition of Marquardt, a California-based arms contractor which provides steering equipment for US military aircraft.

The offer for sale is the group's second big effort to raise funds since it gained a London listing. When it came to the market last year, it raised £30m, also by an offer for sale.

International Signal came to London rather than New York for its share quote because the American disclosure requirements would demand the release of the names of its customers.

However, neither the oil companies' operation in the North Sea, which sell to ENOC or its customers, have requested renegotiation of the third-quarter pricing scheme.

Overseas orders lost through fears over guarantees

## Bond stories scare exporters

## INTERNATIONAL TRADE

Britain is losing a substantial number of orders because companies are frightened to commit themselves to performance bonds demanded by overseas customers.

But a Department of Trade and Industry inquiry has concluded the horror stories circulating among exporters - about bonds worth several hundred million dollars being maliciously called "bait" no relation to the facts.

The inquiry was conducted for the overseas Project Board, The senior industrialists and department officials who advise the Government on high level policy. It found that demand for bonds has now spread from the Middle East to the Far East and South America, and that even small exporters are being asked to put up guarantees.

The working party took evidence from International bankers, the Export Credits Guarantee Department and private insurers as well as

## CEGB rules out French deal

By David Young, Energy Correspondent

The Central Electricity Generating Board has ruled out a partnership agreement with its French counterpart to build a fast breeder reactor (FBR) power station at a British site.

But it will announce in the next few months a programme to develop FBRs with the French and other EEC generating authorities.

Development of FBR power stations in Britain suffered a setback six months ago when Mr Nigel Lawson, who was then energy secretary, announced a slowing down in the research programme.

Environmental opposition to FBRs, escalating development costs and the delays in the inquiry into the siting of a pressurized water reactor (PWR) nuclear power station at Sizewell, Suffolk, seemed to rule out Britain going ahead with FBRs on a commercial scale.

However, enthusiasm for the project within industry, particularly from Sir Walter Marshall who left the UK Atomic Energy Authority a year ago to become chairman of the CEGB and from Mrs Thatcher who is in favour of nuclear power, has led to a new surge of interest at Cabinet level in the FBR programme.

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## Call for unitary tax to be abolished

By Michael Prest

President Reagan is under increasing pressure to decide within the next two or three months whether to abolish unitary taxation. It is possible, however, that Mr Reagan will prefer compromise legislation which would exempt foreign companies from the unitary taxes levied by American states.

Under unitary taxation, otherwise known as worldwide combined reporting, a government taxes a company within its jurisdiction on the percentage of its operations represent of the worldwide sales, payroll, assets or profits of the group of which that company is part.

The result can be much higher tax bills because companies normally pay tax only on their local profits, and that tax can be offset against tax payable in their country or state of origin.

Mr Reagan will be briefed on the issue by the Cabinet Council on Economic Affairs, which consists of representatives of the main departments of state and members of the President's staff.

The unitary tax dispute erupted again in June when the United States Supreme Court upheld the right of states to levy taxes by this method in Container Corporation vs California.

A clause in the double taxation treaty between Britain and the United States, which would have abolished unitary tax, was rejected by Congress in 1980.

The President now finds himself at the centre of a propaganda war being fought between foreign opponents of unitary taxation, including 60 British companies, and partisans of states rights.

The Council on Economic Affairs might decide that the US Solicitor General should file an *amicus curiae* brief in support of Container Corporation's petition for a re-hearing of the Supreme Court case.

Unitary taxation has become the latest trade issue to cause friction between the United States and its partners, Britain, the EEC, Japan and America's multinationals have protested about the "extra-territoriality" implied.

The British Embassy in Washington is devoting considerable time and effort to building support on Capitol Hill. Mr Donald Regan, the US Treasury Secretary, is believed to have told the British Ambassador to Washington a month ago that the Administration will consider legislation to reverse the Supreme Court finding.

### U.S. \$150,000,000 CREDIT LYONNAIS

#### Floating Rate Notes Due 1995

In accordance with the conditions of the notes, notice is hereby given that for the six-month period 8th August 1983 to 8th February 1984 (184 days) the notes will carry an interest rate of 11 1/2% p.a. Relevant interest payments will be as follows:

Notes of U.S.\$10,000-U.S.\$865.61 per coupon.

THE SANWA BANK LIMITED  
(LONDON BRANCH)

Agent Bank

### Barclays Bank International Limited and its subsidiaries Results for the six months ended 30 June 1983

The Directors of Barclays Bank International Limited report the following unaudited group results for the six months ended 30th June 1983.

	Half Year ended 30.6.83	Half Year ended 31.12.82	Half Year ended 30.6.82
£m	£m	£m	
Group Profit	122.6	82.1	63.7
Add: Interest on long term loan to parent company	4.9	-	-
Less: Interest on Loan Capital	27.8	24.9	24.5
 Profit before taxation	99.7	57.2	39.2
Taxation	39.9	35.8	9.2
 Profit after taxation	59.8	21.4	30.0
Profit attributable to outside shareholders of subsidiaries	21.9	18.4	16.5
 Profit attributable to the members of the Bank	37.9	3.0	13.5
Interim Dividend	-	-	0.1
 Profit retained	37.9	3.0	13.4

NOTES:

1. The Bank is a wholly owned subsidiary of Barclays Bank PLC but has its own listed unsecured loan capital.
2. The accounting policies are as explained in note 1 on page 9 of the 1982 annual accounts.
3. Group profit includes share of profits of associated companies £20.8m (December 1982 £21.3m; June 1982 £17.5m).
4. In May 1983 a subsidiary raised US\$400m loan capital. The net proceeds were on-lent to Barclays Bank PLC on a subordinated basis.

### City institutions in change - 1: The Bank of England by Peter Wilson-Smith and Graham Searjeant

## Why the new Governor will have an increased authority



The more powerful Leigh-Pemberton: the cat keeping the City mice in their place

market have already seen this new muscular role at work. For the baronial independent Stock Exchange, whose settlement with government last month owed something to Bank support on high, it is just beginning. For building societies, it is surely not far

Indeed, it may soon not be an exaggeration to see the Bank of England as an ever-so-British, nod-and-wink equivalent of America's bureaucratic and all-embracing Securities and Exchange Commission.

The Bank of England will not abandon its own ways. Traditionally, it has been on what the City insiders call "customary authority". The influence of this method rests partly on regular personal contact - not so easy in an era of worldwide dealing by hundreds of banks - and partly on the personal standing of the Governor, doubtless enhanced by the imperial, not to say imperious, manner of the lately-retired Lord Richardson.

In areas such as the discount market, where the Bank can hold the power of commercial life or death, this is quite sufficient. But others may question whether the emperor has clothes.

When the Bank arranged a marriage between Standard Chartered and the Royal Bank of Scotland, the Hongkong and Shanghai Bank simply presented the market with a higher bid. The Monopolies Commission, in vetoing both bids, barely saved Lord Richardson's face.

The "customary authority" is still much used, usually with great effect. The appointment of Mr Ian Hay Davison earlier this year as chief executive of Lloyd's was a classic case of the Governor bending ears and exerting pressure, although he had no specific authority to do so.

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Copies of this Offer for Sale, having attached thereto the documents specified herein, have been delivered to the Registrar of Companies for registration. Application will be made to the Council of The Stock Exchange, London for the share capital of International Signal & Control Group PLC ("ISC") now being offered for sale to be admitted to the Official List. Application has been made to the Luxembourg Stock Exchange for the share capital of ISC now being offered for sale to be admitted to listing. This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange, London and the regulations of the Luxembourg Stock Exchange for the purpose of giving information with regard to ISC. The Directors of ISC have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

The Memorandum and Articles of Association of ISC together with a Legal Notice will be filed prior to listing in Luxembourg with the Chief Registrar of the District Court of Luxembourg, from whom copies may be obtained upon request.



# International Signal & Control Group PLC

(Incorporated in England and Wales on 7th September, 1982  
under the Companies Acts 1948 to 1981 No. 1662614)

## Offer for Sale by Tender by ROBERT FLEMING & CO. LIMITED

of

34,600,000 "A" ordinary shares of US\$0.10 each  
at a minimum tender price of

125p per share

the price tendered being payable in full on application

The "A" ordinary shares now offered for sale are uniform in all respects with the ordinary shares previously issued and listed on The Stock Exchange, London and the Luxembourg Stock Exchange except that, until 17th February, 1984, they are subject to the restrictions as to registration by or on behalf of North American Persons set out below.

The Application List for the shares now offered for sale will open at 10.00 a.m. on Friday, 12th August, 1983 and may be closed at any time thereafter.

The shares of ISC have not been registered under the United States Securities Act of 1933, as amended, and none of the "A" ordinary shares now being offered for sale may be offered, sold, renounced, transferred, assigned, exchanged or otherwise disposed of, directly or indirectly, in the United States of America, its territories or possessions ("the USA") or in Canada or to nationals or residents thereof, the estates of such persons, or any corporation or other entity organised under any law of the USA or Canada or any political subdivision thereof (collectively "North American Persons") at any time prior to 17th February, 1984. Every applicant for, or renounces of, "A" ordinary shares comprised in this Offer for Sale and every other person applying for registration in respect of "A" ordinary shares of ISC prior to 17th February, 1984 will be required to make a declaration in the form contained in the Application Form below, in order to monitor the ownership of ordinary shares and "A" ordinary shares by North American Persons. Nationality declarations will be required in connection with all transfers of shares of ISC. Furthermore, no person receiving a copy of this Offer for Sale and/or an Application Form in any territory other than the United Kingdom or the Grand Duchy of Luxembourg may treat the same as constituting an invitation to him, nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation could lawfully be made to him and such Form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom or the Grand Duchy of Luxembourg wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including the need to obtain any governmental or other consents which may be required and the observance of any other formalities to be observed in such territory.

Preference will be given, in respect of up to 10 million "A" ordinary shares of ISC (25.0 per cent. of the shares being offered for sale), to applications made by shareholders of ISC on the Register at the close of business on 23rd July, 1983 (other than shareholders who are, or are believed to be, North American Persons).

### SHARE CAPITAL OF ISC

Authorised	Issued and to be issued fully paid
6	5
1,000,000	in ordinary shares of 50-10 each
	10,183,778
	3,450,000
	13,643,778

### INDEBTEDNESS

At the close of business on 30th June, 1983, ISC and its subsidiaries had outstanding borrowings or indebtedness in the nature of borrowings, including bank overdrafts, as follows:

- (i) revolving credit loan facilities (unsecured) with banks under which the principal amount then owing was \$11.5 million;
- (ii) lease finance obligations totalling \$0.8 million;
- (iii) other loans (unsecured) totalling \$0.1 million; and
- (iv) contingent liabilities under advance payment guarantees, performance bonds and letters of credit issued by their bankers in the normal course of business in the amount of \$4.6 million, of which \$1.8 million was secured by bank deposits.

ISC Electronics Inc., a subsidiary of ISC, is contingently liable in respect of a bank loan in the amount of \$0.7 million made to a third party; the subsidiary has the benefit of an indemnity from Parent Enterprises, Inc. (a company of which Mr. J. H. Guerin is the sole shareholder) in respect of this loan.

At the same date, ISC and its subsidiaries had aggregate cash balances of \$19.8 million, of which \$18.8 million was held on interest bearing fixed deposit as security in respect of advance payment guarantees and performance bonds.

At the close of business on 30th June, 1983, The Marquardt Company had outstanding borrowings or indebtedness in the nature of borrowings, including bank overdrafts, as follows:

- (i) a note payable (secured) of \$2.6 million; and
- (ii) lease finance obligations totalling \$0.7 million.

At the same date, The Marquardt Company had aggregate cash balances of \$0.7 million.

Save as aforesaid and apart from intra-company borrowings, neither ISC or any of its subsidiaries (The Marquardt Company or its subsidiaries) had at that date any loan capital included in term loans outstanding or created but unissued, or had outstanding other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, outstanding mortgages, charges, hire purchase commitments or guarantees or other material contingent liabilities.

The following is the text of a letter to Robert Fleming which has been received from the Directors of ISC.

5th August, 1983

Dear Sirs,

ISC Electronics Inc., a wholly owned US subsidiary of ISC, has conditionally agreed to acquire the entire issued share capital of Marquardt. This letter provides information, first on the Existing Group and secondly on Marquardt, together with some information on the Enlarged Group.

### THE EXISTING GROUP

ISC has been listed on The Stock Exchange, London and on the Luxembourg Stock Exchange since October 1982. It is the holding company for a number of wholly owned subsidiaries in the USA and of a wholly owned subsidiary in the UK.

### HISTORY

The business of the Existing Group had its origins in 1971 when Mr. James H. Guerin established a company in Lancaster, Pennsylvania, the aim of which was to obtain US Government work for communication devices and other electronic equipment and to identify and exploit commercial opportunities arising from such work. Contracts with the US Navy and the Federal Aviation Administration for the supply of electronic equipment were first obtained in late 1971. Tenders were made for government projects which included electronic test and control systems, and in the summer of 1972 orders were obtained from the US Navy for parts for inclusion in its missile programmes. Expertise expanded to include the telemetry technology which currently forms part of the business of the Existing Group's US Military Division. The first major complete

### INTRODUCTION

A subsidiary of ISC has agreed to acquire the entire issued and outstanding share capital of Marquardt for completion immediately after this Offer for Sale.

#### The Existing Group

The Existing Group is principally engaged in:

- the marketing outside the USA of high value security, defence, communications and electronic warfare total systems;
- the marketing to certain large customers outside the USA of sub systems and components, and also products for which the Existing Group has exclusive marketing rights; and
- the design and production of medium to high technology electronic systems and equipment for the US Government.

The first two of the above categories form the business of the Existing Group's International Division, and the third is carried on by the US Military Division. Further information as to the categorisation between total systems, sub systems and components is given in the section "Business" under the heading "The Existing Group".

#### Marquardt

Marquardt is engaged in:

- dynamics, including the production of propulsion units for missiles, satellites, space vehicles and other aerospace applications;
- air launched weapons systems, including programmes for the US Government; and
- aerospace component manufacturing, including sub-contract work on airframe sections and components.

#### Pro Forma Statistics at the Minimum Tender Price

Minimum tender price	125p
Earnings per share	
— Existing Group for the year ended 31st March, 1983	\$0.090 (6.0p)
— pro forma combined	\$0.094 (6.2p)
Historic price earnings ratio	
— Existing Group	20.8 times
— pro forma combined	20.2 times
Net assets per share	
— Existing Group as at 31st March, 1983	\$0.84 (42p)
— pro forma combined	\$0.85 (56p)

Forecast gross dividend yield on the basis of the forecast total dividends of \$0.02 (and related tax credit) per share for the year ending 31st March, 1984.

### DIRECTORS AND ADVISERS

#### Directors

James Howard Guerin (USA) (Executive Chairman)

3000 Hempstead Road, Lancaster, Pennsylvania 17601, USA

Carl Heinz Dreyer (USA)

3000 Hempstead Road, Lancaster, Pennsylvania 17601, USA

John Michael Fox (USA)

60 State Street, Boston, Massachusetts 02108, USA

John Geoffrey Hartley

17a Curzon Street, London W1Y 7FE

John Axon Haywood

Pace House, Redmire, Lewes, Sussex

Stuart McIntosh Findell Jr (USA)

3000 Hempstead Road, Lancaster, Pennsylvania 17601, USA

Joseph Henry Zilligen (USA)

3000 Hempstead Road, Lancaster, Pennsylvania 17601, USA

Secretary and Registered Office

Michael Terence McFadden, FCIS

17a Curzon Street, London W1Y 7FE

Solicitors to Nature Nathanson,

16 Jermyn Street, London SW1Y 6NW

Solicitors to Robert Fleming

52-57 Grosvenor Street, London W1

Linklaters & Payne, Barrington House,

32-37 Grosvenor Street, London W1

Hartman Underhill & Brubaker, First Federal Building,

25 East King Street, Lancaster, Pa. 17603, USA

Special United States Counsel to ISC

Parker Chapin Flatt & Klimpl,

520 Fifth Avenue, New York, N.Y. 10036, USA

Auditors of Peat, Marwick, Mitchell & Co., Chartered Accountants,

1 Puddle Dock, London EC4V 4PD

Stockbrokers L. Meiss & Co., Winchester House,

100 Old Broad Street, London EC2P 2HX

Receiving Bankers The Royal Bank of Scotland plc, New Issues Department,

24 Lombard Street, London EC3V 9SA

Registrar and Transfer Office The Royal Bank of Scotland plc, P.O. Box 27, 34 Fettes Row, Edinburgh EH3 6UT

Transfer Agent in Banque Internationale a Luxembourg

Advisers in Luxembourg Entbridge, Tabary, Wilson & Hart, 1724 Luxembourg

### DEFINITIONS

In this document, except where the context requires otherwise, the following words and expressions have the following meanings:

ISC — International Signal & Control Group PLC

Marquardt — The Marquardt Company

the Existing Group — ISC and its subsidiaries prior to the acquisition of Marquardt

the Enlarged Group — ISC and its subsidiaries after the acquisition of Marquardt

Robert Fleming — Robert Fleming & Co. Limited

US or USA — United States of America

UK — United Kingdom

\$, US\$ or dollars and cents — Dollars and cents in the currency of the USA

The following table sets out the breakdown of sales by principal continental area for the five years ended 31st March, 1983:

	1979	1980	1981	1982	1983
Africa and the Middle East	2	20	60	65	75
Europe	13	10	14	2	2
Other	15	38	6	15	6
Total non USA	65	68	80	82	85
USA	35	32	20	18	14
	100	100	100	100	100

The nature of the Existing Group's business is such that it tends to deal, on the basis of relatively large contracts, with a relatively small number of customers.

In relation to sales of sub systems and components (as set out in the table below) one group of customers under common control accounted for 45 per cent. of total sales (of all categories) for the year ended 31st March, 1983 (57 per cent. for the year ended 31st March, 1982) and another customer for 5 per cent. of such sales (13 per cent. for the year ended 31st March, 1982).

In relation to sales of total systems (as set out in the table below) in the year ended 31st March, 1983 one customer accounted for 16 per cent. of total sales and two others for 8 per cent. and 5 per cent. respectively. These sales were in respect of new contracts and renewals made to these customers in earlier years.

## International Signal & Control Group PLC

Three factors, in particular, remain crucial to the success of the Existing Group. Exports from the USA and the implementation of technology transfer agreements are subject to approval by the appropriate US Government agencies. Although the Existing Group has no reason to anticipate any substantial changes in current US policy, such changes in relation to relevant product classifications or destinations could be very significant to the Existing Group. Secondly, the Existing Group operates in very sensitive areas where secrecy as to the nature and extent of contracts and in many cases as to the identity of the customers themselves is of paramount importance. Should any breach of confidentiality occur, and the Existing Group takes stringent precautions that it should not, the results could be most detrimental to many areas of its business. This is particularly the case in view of the current importance to the Existing Group of its largest customer. Thirdly, the Existing Group does business with customers in certain countries in a change in whose political or economic circumstances may have an adverse impact on its business.

### INTERNATIONAL DIVISION

International Division sales for the five years ended 31st March, 1983 may be analysed by category as follows:

	Years ended 31st March				
	1979	1980	1981	1982	1983
Total systems	3,000	3,000	3,000	3,000	3,000
Sub contracts	1,858	9,985	5,820	4,863	36,908
Component procurement services	2,883	5,238	13,584	29,166	45,501
Exclusive marketing rights	761	5,985	13,827	15,144	6,604
	<b>17,539</b>	<b>24,759</b>	<b>41,380</b>	<b>61,941</b>	<b>91,337</b>

#### Total Systems

Total systems are those for which the International Division is the prime contractor for concept, design, development, supply, installation, on-site testing and maintenance. In certain cases, the International Division will supply such total systems on a turnkey basis. In other cases, it is involved in the transfer of technology, whereby the customer acquires the ability to manufacture equipment itself. A total system is one which stands on its own and requires little, if any, additional peripheral equipment or adjunctive sub systems.

The contract value of each total system is several million dollars and it will therefore be noted from the above table that relatively few such system contracts were obtained in the five years ended 31st March, 1983. In the last such year, contracts relating to three major programmes were secured and these accounted for substantially all of the increase in sales of total systems.

The Existing Group is marketing total systems in the principal areas set out below:

#### (a) Security

The International Division is involved in the design, supply and implementation of complete security systems for government and commercial use. These include systems for detecting and preventing intrusion. Each system is tailored to meet the specific requirements of the customer and systems that have been supplied include those for the protection of large installations (such as building complexes, oil fields and airports) and border areas. Features to be found in these systems include computerized control centres, card and keyboard access control equipment, acoustic or seismic sensors, closed circuit televisions and metal or explosive detectors utilised as appropriate to provide a comprehensive security capability. A modular approach is adopted to ensure that the system can be readily updated.

#### (b) Defence

The International Division has entered into contracts for the supply of systems and the transfer of technology relating to production capabilities for an aircraft delivered special purpose ordnance device and a range of other ordnance systems. In certain of these contracts the systems are assembled in facilities directly under the Existing Group's control. In other cases sub-contractors are used, including Marquardt.

#### (c) Communications and Electronic Warfare

The communications systems marketed in the five years to 31st March, 1983 were tactical communications marginal radio systems utilising HF or VHF digitally-synthesised transceivers.

Electronic warfare systems form a key element of any modern military operation. They are designed to perform a wide range of functions including surveillance of opposing forces, radio communications, the partial or total disruption of their transmission, and the location of any communication or other electronic devices used by an opposing force in its aircraft, missiles, land or naval units.

#### Sub Systems

A sub system does not stand alone and normally works in conjunction with an existing or proposed total system held by the customer. In this case, the customer provides a specification for the operation of the sub system and the International Division provides a sub system to fulfil this role. The responsibility of the International Division is limited to the provision of this subsystem to meet that specification without having the responsibility for the performance of the total system. Examples of this are mini-computers to act as control elements in large test stations already installed; HF signal generators to act as stimuli for in-process test systems already in place in radio factories; large power converters to adapt systems purchased from other sources by the customer to the power configuration at the site of installation; and equipment for incorporation in sophisticated electronic network systems used in fixed and mobile station operations (including HF or VHF receivers, memory receivers, processors and appropriate antennas).

The International Division is required to expend varying degrees of engineering time to design, adapt, inspect and support final test and acceptance at the installation site. It is normally involved in consultation with the client to establish the design and performance parameters and advise on how integration with the client's total system can best be achieved:

#### Component Procurement Services

The International Division is active in providing certain overseas clients with a wide range of electronic components and equipment, the majority of which are manufactured in the USA. It does not normally stock these components but initiates orders upon receipt of a firm order. With certain orders, engineering specifications have to be prepared by the International Division to ensure that the component complies with the customer's performance requirements. Examples of components include thin film and thick film integrated circuits, discrete transistors, transistored monolithic circuits, inductors and capacitors. Technical inspections are performed when required by the customer.

The Existing Group has established, through its UK subsidiary, a branch to stock and distribute components. These components are purchased both from the Existing Group's US sources and also from a wide range of other suppliers, including French and Japanese manufacturers.

#### Exclusive Marketing Rights

The International Division markets certain systems including security, ordnance and communication devices for which it has exclusive marketing rights outside the USA. The majority of these products are manufactured in the USA.

#### Marketing for International Operations

The current marketing strategy of the International Division has two aims: identification of customers, and utilisation of internal technical expertise augmented by suppliers of electronic products. Potential customers are those foreign governments or other institutions which have sufficient funds, have a requirement for a relevant system or product and, where necessary, are likely to qualify for a US export licence.

The International Division seeks to identify available technology and hardware which would meet the requirements of potential customers and which, in the case of US products, it is thought will be approved by the US Government for export to the country involved.

The International Division employs approximately 130 people.

#### Export Licences

The export of goods or technology from the USA by the International Division requires an export licence. The ability to obtain such licences is essential to the business of the International Division.

The export of goods or technology of military or defence significance is regulated by the US Department of State in accordance with the security and foreign policy of the United States. The export of certain other goods or technology is controlled by the US Department of Commerce to protect the domestic economy and to fulfil US foreign policy and national security. The Department of Defense also reviews certain proposed exports for national security purposes. The ultimate destination and use of the goods or data are important considerations in both licensing procedures and are often incorporated into the terms of the licence.

In addition, the business of the International Division may be affected, either favourably or unfavourably, by embargoes of other trade restrictions imposed by the USA or other countries.

During the year ended 31st March, 1983, about 78 per cent. of the dollar value of the goods and technology exported by the International Division was covered by licences issued by the Commerce Department, and the balance was covered by licences issued by the State Department.

Failure to comply with these licensing requirements, or to observe embargoes and other trade restrictions, including material breaches of the terms of the licences, could have a material adverse effect on the business of the International Division.

#### US MILITARY DIVISION

The US Military Division designs and manufactures a range of medium to high technology electronic warfare equipment and products, systems primarily for the US Government, concentrating on contracts which involve the development of fully manufactured products already at the prototype stage, rather than the development of its own products. However, some test equipment has been designed and developed in-house. The US Military Division has to meet stringent US Government quality requirements and therefore a significant amount of product testing is carried out to ensure a high degree of reliability.

In the year ended 31st March, 1983 approximately 74 per cent. of the US Military Division output was sold directly to the US Defense Department. Most of the remainder was sold to other US corporations acting as prime contractors to the US Defense Department.

The fact that this Division is a supplier to the US Defense Department is of importance to the technological capability of the Division as is of benefit to the international operations.

The US Military Division's business is obtained mainly by bidding competitively in the US military equipment market for contracts put out to tender by the various military and Defense Department procurement agencies. Defense Department and military programmes are normally determined on a five year basis with annual reviews and amendments. Details of specific contracts to be put out to tender are generally known about 12 months in advance. In view of the nature of the market and the products, no advertising or publicity campaigns are undertaken.

The US Military Division employs about 700 people and occupies approximately 25,000 square feet of manufacturing and office space in Lancaster, Pennsylvania.

Products normally consist several years with much of the early work being devoted to developing prototypes and related test fixtures for efficient production and test.

#### (i) Sensor Systems

The US Military Division currently produces and markets PEWS (Piston Early Warning System), a seismic and magnetic sensor system which monitors activity within an area and transmits data to a receiver which enables the target to be identified as either one or a group of men or vehicles. Contracts are in progress for the production of other advanced sensor systems.

#### (ii) Telemetry Systems

Various types of DKT data transmitting sets are produced for the US Navy. These are carried on the missile during development and testing in order to transmit back information on its performance. They may also be used to test missiles in government stores on a sample basis.

#### (iii) Electronic Fuses

Fuses are electronic detonating devices which usually include a target detecting system. In the late 1970s, fuse programmes accounted for a significant proportion of the work carried on by the US Military Division. Specific projects included the M-817 system used on the Chaparral missile and parts of the Shrike and Sparrow missile fuses.

#### (iv) Communication Systems

Communications contracts include the AN/GRA-114 radio data link sound ranging system and the TD-1065 high speed data buffer, both produced for the US Army. The AN/GRA-114 picks up the sound of enemy artillery fire and locates its source, and the TD-1065 scrambles data or voice patterns for transmission over existing US Army communications systems. The Existing Group has recently received its first export order for sound ranging systems.

#### (v) Test Equipment

Test equipment projects have included a sub-contract, in the mid 1970s, from a major US defence contractor to design and develop equipment to test sub systems of the C-4 Trident Missile. Expertise resulting from these projects continues to be developed in the design of specialised automatic test equipment primarily for in-house use.

#### (vi) Other Products

The Directors of ISC consider that there has been a tendency in recent years for prime contractors to award defence projects to include the amount of work sub-contracted to other businesses. The US Military Division, benefiting from its government qualifications and experience, has gained several major sub-contracts with US prime defence contractors. This involves the production of a variety of standard electronic modules for use in specialised computer-related and other systems.

### RELATIONSHIPS WITH CUSTOMERS

The International Division has longstanding and close relationships with many of its customers and is required by them to maintain strict confidentiality regarding contracts. In particular, in many cases, the Existing Group cannot disclose the identity of the customer, the subject of the contract or the location at which the products or services supplied by the Existing Group are to be used. Extended credit is advanced to certain of these longstanding customers.

The US Military Division has received security clearance from the US Defense Department and complies fully with that Department's requirements of confidentiality and security.

### RELATIONSHIPS WITH SUPPLIERS

The International Division is dependent on outside suppliers for a large part of the constituent elements of its systems and sub systems. Although delays in delivery, or the supply of defective parts, by outside suppliers could seriously hamper progress on a particular project, the International Division has not in the past experienced difficulties of this nature. As far as the US Military Division is concerned, the Directors of ISC consider that there is no significant risk to its operations from dependence on any one supplier.

### RESEARCH AND DEVELOPMENT

Research and development is carried on principally by the US Military Division, which has traditionally concentrated more on re-design and modification than on pure research. To enhance the Existing Group's capabilities in selected areas, an Advanced Systems sub-division has been established. Expenditure which does not relate to defence contracts funded by the US Government is written off in the financial statements in the year in which it is incurred. Certain work is currently being carried out on the development of thin film and ring core magnetometers for application in sensitive fuses and sensors.

A budget of 2 per cent. of total sales has been allocated to augment the US Government research and development programmes undertaken by the US Military Division.

### COMPETITION

The Existing Group faces considerable competition both within the USA and internationally in all areas of its operations. While it is expected that competition based on improving technology will continue to be significant to the Existing Group's operations, the Directors of ISC believe that the position established by it, combined with the anticipated growth in demand for the systems and products of the type supplied by the Existing Group throughout the world, should enable it to meet such competition.

### PRINCIPAL PREMISES

The US Military Division and the International Division operate from separate leasehold premises in Lancaster, Pennsylvania. The latter division also operates from leasehold premises in London and in Basingstoke. Full details of these are set out in paragraph 6 of Appendix 5.

### ORGANISATION, DIRECTORS AND EMPLOYEES

#### Organisation

The Board of ISC is responsible for the overall direction of the activities of the Existing Group, but the management of the divisions are responsible for their day-to-day operations. In order to maintain the security classification with the US Defense Department, the share capital of the subsidiary through which the US Military Division operates is subject to an irrevocable proxy in favour of the persons approved by the Department who are also directors of that subsidiary (see material contract (vii) in paragraph 16(a) of Appendix 5).

#### Directors

Mr. James H. Guerin (aged 53) founded the original business of the Existing Group in 1971 and is the Executive Chairman of ISC. He has a Master of Science degree in Electrical Engineering and has over 35 years of experience in that field. Prior to 1971 he was General Manager, Systems Division, of Hamilton Watch Company directing over 1,600 personnel in the development and manufacture of ordnance, electronic devices and systems and prior to that the Engineering Department Manager for a portion of the Poseidon missile system for Lockheed Missiles and Space Company.

Mr. Carl H. Drever (aged 53) has been with ISC or predecessor companies since they were founded and is Vice-President of Administration and Corporate Secretary of the Existing Group's US holding company. He has a Master of Science degree in Electrical Engineering and over 23 years of experience in that field. He was previously Director of Product Assurance for Hamilton Watch Company and United Aircraft Corporation and prior to that he was involved with quality engineering at Honeywell, Inc.

Mr. John M. Fox (aged 70) has been a non-executive Director of ISC and a predecessor company since 1981. He is Chairman of SCA Services Inc. He retired as a Director of International Business Machines Corporation (IBM) in April 1983.

Mr. John G. Hartley (aged 36) has been Managing Director of the Existing Group's UK subsidiary since 1979. He has an Honours Degree in Economics. Previously he was a self-employed management consultant and also held a number of advisory and executive posts in manufacturing industry in the United Kingdom.

Mr. John A. Heywood (aged 45) has been a non-executive Director since 1982. He was a Joint Managing Director of Jardine, Matheson & Co. Limited until July 1982 with special responsibility for international operations, having been employed by that company in the Far East for 20 years.

Mr. Stewart M. Pindell Jr (aged 44) has been with ISC or predecessor companies since 1974 and has been Vice-President and General Manager of the International Division since its inception. He has a Bachelor of Science degree in Electrical Engineering and has over 20 years of experience, and holds several patents, in the electronics field. Before this, he was President of Novex, Inc., a firm which manufactured electrical and electronic instruments and, prior to that, the Manager of Product Development in the Instruments Division of Hamilton Watch Company.

Mr. Joseph H. Zilligen (aged 42) is Finance Director of ISC and was Vice-President, Finance and Treasurer of its predecessor company from 1980. He was previously a management consultant with Arthur, Young & Company and Treasurer of The J. E. Baker Company.

#### Employees

The Group employs some 640 people. Industrial relations have been good, although there was a one month strike by production employees in the US Military Division in 1981 when alternative arrangements were made to continue production. After brief qualifying periods a non-contributory pension scheme and life, medical expenses and long term disability insurance are available to all employees in the USA and the United Kingdom.

### PAST PROFITS

There is set out below a summary of the results of the current operations of the Existing Group, on the historical cost basis, before extraordinary items arising from the offer for sale in October 1982, for the five years ended 31st March, 1983, which has been extracted from the Accountants' Report in Appendix 1. The Existing Group draws up its financial statements in dollars, as this is its principal operating currency.

	1979	1980	1981	1982	1983
Sales	\$26,567	\$5,515	\$15,888	\$7,762	\$107,480
Cost of sales	(19,753)	(22,575)	(37,050)	(65,227)	(76,404)
Gross profit	6,814				

# International Signal & Control Group PLC

## COMPETITION

Although the Directors of ISC believe that there is no other US corporation with a range of products and activities directly comparable with Marquardt's, Marquardt faces considerable competition both within the USA and internationally in all areas of its operations. Certain of Marquardt's competitors are significantly larger in terms of turnover and financial resources. However, the Directors of ISC are confident that Marquardt's technical expertise in its three main product areas of operation will enable it to expand in the future.

## PREMISES

Marquardt owns the freehold of a 56 acre site at Van Nuys, California, north of Los Angeles, which is utilised almost entirely by Marquardt. Manufacturing space extends to 220,000 square feet, warehousing 140,000 square feet and engineering 120,000 square feet. The site includes a 13 acre test facility for airbreathing and rocket propulsion systems and can accommodate significant expansion of the present facilities without the requirement to purchase or lease additional land.

## ORGANISATION, SENIOR OFFICERS AND EMPLOYEES

### Organisation

In order to maintain the security clearance with the US Defense Department, the share capital of Marquardt will, after its acquisition by ISC Electronics Inc., be subject to an irrevocable proxy in favour of three persons approved by the Department who will be directors of Marquardt (see future contract (ii) in paragraph 16(b) of Appendix 5).

### Senior Officers

Mr. K. E. Woodgriff (aged 48) is President and Chief Executive Officer of Marquardt. He has been employed by Marquardt since 1957 and has a Bachelor of Science degree in Mechanical Engineering. He has entered into a 5 year service agreement with that company, which will take effect on completion of the acquisition of Marquardt.

Mr. J. A. Marosky (aged 49) is Senior Vice President, Finance and Administration. He has been in charge of Marquardt's finances since 1975 and has a Master of Science degree in Business Administration.

Mr. A. N. Thomas (aged 60) is Vice President, Engineering. He has been employed by Marquardt since 1959 and has a Master of Science degree in Aeronautical Engineering.

### Employees

Marquardt has approximately 850 employees. There is no trade union at Marquardt, which has an excellent record of industrial relations.

## PAST PROFITS

There is set out below a summary of the profits of Marquardt on the historical cost basis for the five years ended 30th April, 1983, which has been extracted from the Accountants' Report in Appendix 2:

	Years ended 30th April			
	1979	1980	1981	1982
Sales	81,150	86,158	88,027	80,545
Cost of sales	(62,392)	(74,321)	(89,046)	(41,199)
Gross profit	8,758	8,834	9,346	11,348
Overheads	(5,404)	(6,457)	(5,539)	(6,468)
Other operating income	916	466	407	393
<b>Operating profit</b>	<b>4,210</b>	<b>3,824</b>	<b>3,239</b>	<b>3,370</b>
Interest receivable	149	310	437	510
Interest payable	(831)	(847)	(653)	(601)
<b>Profit before taxation</b>	<b>1,587</b>	<b>2,865</b>	<b>2,823</b>	<b>3,379</b>
<b>Taxation</b>	<b>11,750</b>	<b>11,400</b>	<b>11,403</b>	<b>11,651</b>
<b>Profit attributable to equity shareholders</b>	<b>1,807</b>	<b>1,466</b>	<b>1,421</b>	<b>1,714</b>
				3,754

In the four years to 30th April, 1982, there was an overall decline in sales, arising partly from reduced US Government spending on airbreathing products and partly from a commercial decision by Marquardt to reduce its air launched weapons production. However, the impact on profits before taxation was reduced by improved profit margins and interest benefit from the positive cash flow of Marquardt. With the significant improvement in sales in the year ended 30th April, 1983, compared with the previous year, together with the holding of margins and the continued improvement in net interest receivable, profits before taxation increased by some 66 per cent. on those for the previous year.

## THE ENLARGED GROUP

### TERMS OF THE ACQUISITION OF MARQUARDT

Under an agreement made between CCI (the holder of the entire issued share capital of Marquardt) and ISC Electronics Inc. (a wholly owned US subsidiary of ISC) dated 12th July, 1983, CCI conditionally agreed to sell to ISC Electronics Inc. the whole of the issued and outstanding share capital of Marquardt. ISC has guaranteed the obligations of ISC Electronics Inc. under the agreement. The principal element of the consideration for the acquisition is the cash sum of \$43.5 million, of which \$39.5 million is payable to CCI on completion and \$4 million is payable to an Escrow Agent to be paid by such Agent to CCI (without interest) on the first anniversary of completion. The other element of the consideration is the issue to CCI by ISC of 600,000 new ordinary shares of \$0.10 each to be allotted credited as fully paid.

Mr. K. E. Woodgriff is the President and Chief Executive Officer of Marquardt and is a stockholder in CCI. He has agreed that, upon the acquisition of Marquardt, he will sever his connection with CCI and he has entered into a 5 year service contract with Marquardt, to take effect on completion of the acquisition, to continue to serve as its President and Chief Executive Officer. Under this contract, he will receive a payment of \$500,000 before 31st December, 1983. Mr. Woodgriff is currently the holder of 1,900 shares of common stock of CCI representing approximately 3 per cent. of the issued and outstanding share capital of CCI, which are to be purchased these shares in exchange for the transfer to Mr. Woodgriff of the 600,000 new ordinary shares of ISC to be allotted to CCI under the acquisition agreement. To the extent that the value of the 1,900 CCI shares may be less than the value of these new ordinary shares, Mr. Woodgriff will have received a benefit which will have been given to him in consideration of his assistance in the formation of the Enlarged Group.

The acquisition agreement is conditional (*inter alia*) upon the implementation of the Offer or Sale referred to herein. Completion of the acquisition is expected to take place on 15th August, 1983. The agreement contains warranties and indemnities on the part of CCI as to the financial, trading and taxation position of Marquardt. In addition, CCI and its principal officers have covenanted not to compete with Marquardt for the five years following completion.

Further details of the agreement for the acquisition of Marquardt and the arrangements with Mr. Woodgriff are set out in paragraph 12 of Appendix 5.

### BENEFITS OF THE ACQUISITION

The Directors believe that the acquisition of Marquardt will have the following benefits:

1. The acquisition will substantially increase the scale of operations in the USA and will result in a strengthened technology base. Moreover, Marquardt's product range is complementary to that of the Existing Group.
2. The expansion of US operations should enhance ISC's reputation internationally.
3. Marquardt's experience in developing business within the USA will be of value while at the same time the Existing Group's international marketing expertise can be of assistance in developing sales outside the USA for Marquardt's products.
4. Marquardt has a sound balance sheet, a good record of recent profit growth and cash generation and a strong management team. It is proposed that the present management will continue after the acquisition.
5. In the longer term there are significant benefits to be derived from a combination of the Existing Group's predominantly electronics technology with the aerospace and defence manufacturing capabilities of Marquardt.

### PRO FORMA STATISTICS AT THE MINIMUM TENDER PRICE

The following pro forma figures illustrate the effect of the acquisition of Marquardt on the Existing Group. They are extracted from the unaudited pro forma statements set out in Appendix 3, which combine the results and net assets of the Existing Group for the year to 31st March, 1983 with those of Marquardt for the year to 30th April, 1983, as shown in each case by the respective Accountants' Reports. The number of shares used to calculate the pro forma combined earnings per share and combined net assets per share respectively is set out in Appendix 3.

Minimum tender price 125p  
Earnings per share  
Existing Group for the year ended 31st March, 1983 50,090 (6.0p)  
pro forma combined 50,094 (6.2p)

Historic price earnings ratio 20.8 times  
Existing Group  
pro forma combined 20.8 times

Net assets per share  
Existing Group as at 31st March, 1983 20.64 (4.2p)  
pro forma combined 30.85 (5.6p)

Forecast gross dividend yield on the basis of the forecast total dividends of \$0.02 (and related tax credit) per share for the year ending 31st March, 1984 1.5 per cent.

To the extent that the striking price is higher than the minimum tender price, the pro forma combined earnings per share will increase, as illustrated in Appendix 3.

For the purpose of calculating earnings and net assets per share and dividend yield, dollar amounts have been translated to their sterling equivalents at the rate of \$1.51 = £1.00.

The above figures should be read in conjunction with the pro forma statements in Appendix 3.

### THE OFFER FOR SALE

Of the 34,600,000 "A" ordinary shares now being offered for sale, 24,344,000 are new shares to be issued by ISC to raise, at the minimum tender price, \$22.7 million, after expenses, to finance the purchase of Marquardt. If such shares are subscribed at above the minimum tender price, the additional proceeds of the Offer for Sale will be used for the general working capital purposes of the Enlarged Group.

The balance of 10,356,000 "A" ordinary shares is being sold by six shareholders of ISC. Mr. Guerin is disposing of 8 million of these shares and three other directors of ISC or its subsidiaries are disposing of a total of 1,466,000 shares. Mr. Guerin is selling shares in order to reduce borrowings which were assumed or incurred by him in connection with the reconstruction which led to the establishment of the present group structure in October 1982. After the Offer for Sale, he will continue to have a beneficial interest in 21,200,944 ordinary shares which will represent 15.5 per cent. of all the shares in issue after the Offer for Sale. The three other directors are raising funds to meet personal tax liabilities, to repay borrowings or to settle other liabilities arising out of the same reconstruction. All the vendor shareholders, as well as the Directors of ISC who are not selling shares and Mr. Woodgriff, have undertaken not to sell any shares, or further shares, before 17th August, 1984 without the consent of Robert Fleming.

If it becomes apparent that the conditions precedent to completion of the agreement for the acquisition of Marquardt cannot or will not be satisfied and that the acquisition will not therefore be completed on 15th August, 1983, the Offer for Sale will be terminated and all application monies will be returned to applicants without interest, by post at the risk of the persons entitled thereto. Money to be returned will be posted by not later than 18th August, 1983.

### DIVIDENDS

The Directors of ISC expect, in the absence of unforeseen circumstances, to recommend total dividends of \$0.02 per share in respect of the year ending 31st March, 1984. This is equivalent to \$0.04 per share prior to the scrip issue authorised on 5th August, 1983. A dividend has been declared of \$0.0225 per share for the period ended 31st March, 1983, payable to ordinary shareholders on the Register of the close of business on 12th July, 1983. Had the share capital of ISC in existence as at 31st March, 1982 been in existence throughout the year ended on that date, the Directors would have recommended a dividend of \$0.0325 per share. All dividends are stated exclusive of the related tax credit.

It is expected that in future years interim and final dividends will be payable in January and August respectively. All dividends will be declared in dollars but will be paid in sterling unless shareholders elect to receive payment in dollars.

### CURRENT TRADING AND PROSPECTS

The results both of the Existing Group for the year to 31st March, 1983 and of Marquardt for the year to 30th April, 1983 exceed the corresponding figures for the previous accounting periods. The Existing Group's sales increased to \$107.5 million (from \$76.8 million) and pre-tax profits to \$15.1 million (from \$5.3 million) while Marquardt's sales increased to \$65.8 million (from \$50.5 million) and pre-tax profits to \$5.6 million (from \$4.4 million). Furthermore the Existing Group's order book, which includes contracts spanning several years and new orders obtained in Europe and the Far East, stood at the record level of \$160 million at 31st March, 1983. Marquardt's order book at 30th April, 1983, similarly at a record level, was \$101 million.

The Directors of ISC believe that the acquisition of Marquardt will result in an enlarged group with considerable growth prospects both within the USA and elsewhere in the world. The Directors of ISC continue to look forward to the future with confidence.

By order of the Board

JAMES H. GUERIN

Executive Chairman

## APPENDIX 1

### ACCOUNTANTS' REPORT ON ISC

The Directors,  
International Signal & Control Group PLC,  
17a Curzon Street,  
London W1Y 7FE

and  
Robert Fleming & Co. Limited,  
8 Crosby Square,  
London EC3A 6AN

1 Puddle Dock,  
London EC4V 3PU

30th August, 1983

Gentlemen:

International Signal & Control Group PLC ("ISC") was incorporated in England and Wales on 7th September, 1982. ISC Electronics Inc. ("Electronics") was incorporated in Delaware on 27th August, 1982 and acquired the entire issued share capital of Electronics Signal & Control Corp. ("Corp") and its investments in its subsidiaries including the 50.2 per cent. holding in Corp in ISC London PLC ("ISCL"), formerly ESL London PLC, on 31st September, 1982. On the same date, ISC acquired a majority of the share capital of Electronics by an issue of shares of ISC. Following the completion of the offer for sale, published on 18th October, 1982, ISC acquired the remaining shares in ISCL and in Electronics. ISC thus controls the entire issued share capital of Corp, ISCL and the other corporations then owned by Electronics except for the share capital of certain subsidiaries of Electronics which, with certain assets owned by Corp, together called "the Commercial Operations", were sold at no book value to Parent Enterprises, Inc. a company of which Mr. J. H. Guerin is the sole shareholder. The Commercial Operations were not involved in the mainstream business activities of Electronics or its subsidiaries. For the purpose of this report, ISC and its subsidiaries, excluding the Commercial Operations, are referred to as the "Existing Group".

We have examined the consolidated financial statements of ISC for the year ended 31st March, 1983 which include the results of ISCL since its incorporation on 14th August, 1979. Our examination of these statements has been in accordance with generally accepted auditing standards. We have made adjustments to the consolidated financial statements principally:

(i) to eliminate the results of subsidiary companies and divisions, including the Commercial Operations, disposed of during the period under review; and

(ii) to reflect the elimination of the minority interest in ISCL.

We have audited the consolidated financial statements of ISC for the year ended 31st March, 1983. Prior to that date the consolidated financial statements of Corp were audited by another firm. The auditors of ISCL for the period from its incorporation to 31st March, 1981 and the year ended 31st March, 1982 were a firm other than ourselves.

The historical cost financial information which follows has been prepared on the basis of the accounting policies of ISC set out below, which are in accordance with UK generally accepted accounting principles, and from the audited consolidated financial statements of ISC and Corp after making such adjustments as we consider appropriate. The financial information has been presented in US dollars as this represents the principal operating currency of the Existing Group. In our opinion this financial information gives a true and fair view of the state of affairs of ISC and the Existing Group at 31st March, 1983 and of the profit and loss and applications of funds of the Existing Group for the five years ended on that date.

In our opinion the current accounts set out below have been properly prepared in accordance with Statement of Standard Accounting Practice No. 16 on the basis of the accounting policies and methods set out below.

No audited accounts have been made up for ISC or any of its subsidiaries in respect of any period subsequent to 31st March, 1983.

### PROFIT AND LOSS ACCOUNTS OF THE EXISTING GROUP

Years ended 31st March

1979 1980 1981 1982 1983

Notes 3,000 3,000 3,000 3,000 3,000

Sales 26,567 36,519 51,586 76,752 107,480

Cost of sales (19,783) (27,578) (37,050) (56,237) (76,404)

Gross profit 8,784 9,594 14,538 19,525 31,078

Overheads (3,688) (5,200) (6,855) (8,316) (12,438)

Other operating income 191 325 318 154 124

Operating profit 3,207 3,822 7,988 12,280 18,782

Interest receivable 100 135 119 616

## International Signal & Control Group PLC

Name of company and country or state of incorporation	Description of shares held	Proportion of nominal value of issued shares held	Business
ISC Electronics Inc. (Delaware, USA)	Ordinary \$0.10 shares	100%	Holding company
International Signal & Control Corp. (Delaware, USA)	Ordinary \$0.10 shares	100%	Manufacturing
ISC London PLC (formerly ESI London PLC) (England)	Ordinary \$0.10 shares	48.5%	Marketing and component sales
ISC Technologies Inc. (formerly ESI/ISC/DSO) (Delaware, USA)	Ordinary \$0.10 shares	100%	Export marketing
ISC Export Inc. (Delaware, USA)	Ordinary \$0.10 shares	100%	Export marketing

In order to maintain the security clearance with the US Defense Department, Electronics has granted voting control over the shares of Corp in favour of three persons approved by that Department who are also directors of Corp.

9. Stocks  
Stocks at 31st March, 1983 were as follows:

	Stocks	Stocks at 31st March, 1983
Finished goods	8,000	1,275
Raw materials	550	550

10. Contract work in progress  
Contract work in progress at 31st March, 1983 was arrived at as follows:

	Cost	Attributable profit	Total
Cost	3,000	67,251	70,251
Attributable profit	11,111	21,111	32,222
Total	37,332	88,362	125,694

Less progress payments

	14,834
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11. Debtors  
Debtors at 31st March, 1983 were as follows:

	ISC	The Existing Group
Trade debtors	5000	5000
Due from related parties	—	60,151
Other debtors	627	6,178
	627	66,328

\$319,000 of the amount due from related parties represents balances due from Parent Enterprises, a company of which Mr. J. H. Guevin is the sole shareholder to a US subsidiary. The remainder of the balance refers to US taxation payments made by a US subsidiary on behalf of S. M. Pendell Inc (\$20,100) and C. H. Dryer (\$19,400).

12. Cash  
Cash at 31st March, 1983 comprised the following:

	1982	1983
Cash at bank and in hand	750	600
Cash on deposit	57	420
	14,945	16,245

Cash on deposit at 31st March, 1983 included \$14,745,000 held on interest bearing fixed deposit as security in respect of advance payment guarantees and performance bonds relating to certain contracts.

13. Creditors—amounts due within one year  
Creditors due within one year at 31st March, 1983 were as follows:

	ISC	The Existing Group
Bank overdrafts	5000	5000
Long term loans—amounts due within one year (see note 14)	—	33
Trade creditors	1,945	5,554
Accruals	63	5,554
Dividend payable	1,254	1,254
Lease finance obligations	—	1,000
	5,760	21,365

Included in the above figures for the Existing Group are amounts received at 31st March, 1983 of \$561,000.

Trade and social security comprises:

	ISC	The Existing Group
UK corporations tax	5000	5000
US Federal and State taxes	1,663	5,629
Social security	—	41
	1,663	5,630

14. Creditors—amounts due after more than one year  
Creditors of the Existing Group due after more than one year at 31st March, 1983 were as follows:

	Total	Current	Long
Total	3,000	3,000	3,000
Bank revolving credit facilities	165	165	165
Other creditors	942	541	398
Lease finance obligations	4,113	594	5,519
Amounts secured included above	5,945	841	3,559

Repayments of the long term portion of debt were due as follows:

	Between one and two years	Between two and five years
	5,181	3,518
	3,518	3,518

The future minimum lease payments to which the Existing Group was committed at 31st March, 1983 were as follows:

	Finance leases	Operating leases
Years ending 31st March	500	500
1984	550	1,217
1985	550	1,020
1986	550	1,020
1987	49	782
1988	20	567
1989 and after	—	1,558
	1,083	5,683

Less interest element

	963	5,683
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15. Deferred taxation  
The deferred taxation assets of ISC and of the Existing Group at 31st March, 1983 arose as follows:

	ISC	The Existing Group
Short term timing differences	183	183
Other timing differences	78	18
Advance corporation tax recoverable	1,658	1,658
	(355)	(279)

No deferred taxation has been provided on these earnings which it is intended should be permanently retained in the DSO (see note 4).

16. Share capital

The authorized share capital of ISC at 31st March, 1983 comprised 75 million ordinary shares of \$0.10 each. The number of shares in issue at that date, all fully paid, amounted to 55,745,892. Following the 1-for-1 scrip issue, the number of shares in issue is 111,493,784.

17. Guarantees and other financial commitments

(a) Contingent liabilities  
Contingent liabilities of the Existing Group not otherwise provided for at 31st March, 1983 were as follows:

Nature	Type of security	Amount
Advance payment guarantees	Bank deposits	12,000
Secured	Bank deposits	5,525
Performance bonds	Bank deposits	754
Unsecured	Bank deposits	5,628
Secured	Bank deposits	1,028
Letters of credit	Bank deposits	36,176

(b) Pension commitments

The pension plan covers substantially all full-time employees whose entitlement to benefits becomes vested after five years of service. The pension costs, which include amortisation of unfunded past service costs over a period of 20 years, are funded as they accrue. An actuarial valuation of the plan at 31st April, 1983, the measurement date, was available, indicated that net assets available for benefits exceeded the actuarial present value of vested and non-vested benefits.

CURRENT COST ACCOUNTS

The following summarizes the consolidated current cost profit and loss account for the year ended 31st March, 1983 and the consolidated current cost balance sheet at that date. No comparatives are given for the profit and loss account as the information is not readily available.

Accounting bases

Current cost accounts have been prepared for the Existing Group in accordance with the requirements of Statement of Standard Accounting Practice No. 16. Fixed assets have been revalued by reference to the private US Department of Labor published indices with the exception of intangible fixed assets and investments which are valued at the amounts included in the historical cost accounts. The current cost operating adjustments have been calculated by the averaging method with reference to the appropriate US Department of Labor indices. In arriving at the cost of sales adjustments and in restating stocks to current replacement cost, only stocks of raw materials and finished goods have been included. Contract work in progress is included in only monetary working capital.

Profit and loss account		Year ended 31st March, 1983	Year ended 31st March, 1982
Turnover		3,000	107,450
Operating profit shown in the historical accounts		1,200	15,762
Current cost operating adjustments		1,200	16,611
Current cost operating profit		1,200	16,611

# International Signal & Control Group PLC

## PRO FORMA STATEMENT OF COMBINED NET ASSETS

	The Existing Group at 31st March, 1983	Marquardt Group at 30th April, 1983	Combined
Fixed assets:			
Tangible	3,715	44,793	48,508
Intangible	625	67	682
Investments and other non current	190	190	190
	4,530	44,860	49,390
Current assets:			
Stocks	2,125	—	2,125
Contract work in progress	14,354	46	14,350
Debtors	63,185	9,442	72,630
Deposits and prepayments with suppliers	20,167	1,876	22,043
Cash at bank, in hand and on deposit	16,245	3,688	19,934
	116,692	15,060	131,333
Creditors—amounts due within one year	121,895	(123,965)	(12,070)
Advance contract deposits	(24,029)		(24,029)
Net current assets	70,275	2,685	72,940
Total assets less current liabilities	74,805	47,625	122,330
Creditors—amounts due after more than one year	(13,315)	(12,870)	(6,369)
Deferred taxation	279	—	279
Net assets	71,565	44,655	116,220
Net assets per share	54 cents	55 cents	55 cents
Net assets			

The pro forma statement of combined net assets comprises the summation of the consolidated net assets of the Existing Group at 31st March, 1983 and the net assets of Marquardt at 30th April, 1983.

The combined net assets of the Existing Group and Marquardt have been adjusted on the assumption that the estimated net proceeds of the Offer for Sale of new "A" ordinary shares amount to \$43.5 million and are used to acquire the entire issued share capital of Marquardt, and on the basis that the amount due to Marquardt from its former parent at 30th April, 1983 will have been waived before completion of the acquisition of Marquardt.

Net assets per share for the Existing Group at 31st March, 1983 are calculated on the basis of net assets of \$71,565,000 and shares in issue at that date, adjusted for the 1-for-1 scrip issue of 111.5 million. Combined net assets per share are calculated on the basis of combined net assets of \$116,220,000 and 136.4 million shares, being the number of shares in issue following the Offer for Sale.

## APPENDIX 4

### APPRAISERS' VALUATION

The Directors  
International Signal & Control Group PLC,  
17a Curzon Street,  
London W1Y 7PE,  
England

Gentlemen,

We have made an investigation and appraisal of the plant, property and equipment of The Marquardt Company ("Marquardt"). These assets were appraised by us in connection with the planned purchase by ISC Electronics Inc., your wholly owned United States subsidiary, of the entire issued share capital of Marquardt. The appraisal was made for the purpose of expressing an opinion of the fair market value of these assets as of April 30, 1983 to serve as a guide to financial reporting on the assets under the UK Statement of Standard Accounting Practice No. 14.

The term "fair market value" as used in this letter is defined as the estimated amount at which the property would exchange between a willing buyer and a willing seller, neither being under compulsion to buy or sell, each having reasonable knowledge of all relevant facts, with equity to both, and with both buyer and seller contemplating retention of the property for continuing use in an operating business enterprise.

The property appraised consists of fixed buildings and improvements, plant and equipment (including office furniture, fixtures and vehicles) associated with a going concern. Supplies, materials on hand, and all other assets of a current nature and intangible assets, if any, are not included in this report. The assets described above are those reported to us as the property of Marquardt.

Marquardt's facility is located in Van Nuys, California in the Los Angeles Basin. The manufacturing plant is located on 46.3 acres of land and comprises approximately 480,000 square feet of buildings.

In arriving at our opinion of value, we inspected the plant, property and equipment, investigated local market conditions, interviewed members of Marquardt's management and work force, and took into account other relevant matters, including financial information provided by Marquardt and other pertinent industry data, in forming our conclusion. We have not carried out a structural survey of the assets appraised and no allowance is made for expenditure which such a survey may reveal is required.

It is our opinion, based on the investigation and analysis outlined above, that the fair market value of the property, as of April 30, 1983, is FIFTY MILLION DOLLARS (\$50,000,000). This amount is distributed as follows:

The Marquardt Company	
Summary of Fair Market Value	
Asset Classification	Fair Market Value
Land	18,370,000
Buildings and Improvements	9,885,000
Plant and Equipment	33,735,000
Grand Total	50,000,000

We have made no investigation of and assume no responsibility for the title to or any liabilities against the property appraised.

One of this letter may be disseminated to the public through advertising, public relations, news or any other means of communication without prior written consent and approval of The American Appraisal Company.

Respectfully submitted,

THE AMERICAN APPRAISAL COMPANY

By M G Kooper  
Vice President

## APPENDIX 5

### STATUTORY AND GENERAL INFORMATION

#### 1. SHARE CAPITAL

(a) Share capital of ISC

The following table shows the authorised and issued share capital after the Offer for Sale:

Authorised	Issued or to be issued fully paid or creditably as fully paid
16,000,000	16 ordinary shares of \$0.10 each
	16 ordinary shares of \$0.10 each

Notes:

(i) ISC was incorporated on 7th September, 1982, with an authorised share capital of 100,000,000 ordinary shares of \$1.00 each of which 2 shares were issued for cash at \$1. On 9th September, 1982, each ordinary share of \$1.00 was sub-divided into 10 ordinary shares of \$0.10 each and 95,000,000 of such shares, which were then unissued, were cancelled, resulting in an authorised share capital of \$7,500,000. On 21st September, 1982, 14,100,000 ordinary shares were issued, credited as fully paid, as consideration for the acquisition of a majority interest in ISC Electronics Inc. ("Electronics") from Mr J H Guerin pursuant to an offer for sale of 100,000,000 "A" ordinary shares of ISC made in October, 1982 at a price of 150p per share, all of which were allotted at that time. After completion of that offer, for an aggregate of 36,257,026 ordinary shares were issued, credited as fully paid, as consideration for the acquisition of a balance of the issued share capital of Electronics and 12,450,000 ordinary shares were issued, credited as fully paid, as consideration for the acquisition of the whole of the issued share capital of ISC London PLC ("ISC-L") not then owned by ISC or its subsidiaries.

(ii) On 31st March, 1983, the date to which the latest audited accounts of ISC were made up, ISC had an authorised share capital of \$7,500,000 divided into 75 million ordinary shares of \$0.10 each, of which 55,16,892 were issued fully paid or credited as fully paid.

(iii) On 8th August, 1983, the authorised share capital was increased to \$16,000,000, divided into 125,000,000 ordinary shares and 34,600,000 "A" ordinary shares of which, following a 1-for-1 scrip issue, 101,337,784 ordinary shares and 10,256,000 "A" ordinary shares were issued fully paid or credited as fully paid.

(iv) ISC will issue 24,344,000 new "A" ordinary shares fully paid pursuant to this Offer for Sale.

(v) Upon completion of the acquisition of Marquardt, ISC will issue 600,000 ordinary shares credited as fully paid to CCI, being part of the consideration for the acquisition of Marquardt.

(b) Share Capital of Marquardt

Marquardt was incorporated in the state of Delaware, USA, on 28th April, 1974. The share capital of Marquardt is as follows:

Authorised	Issued
100,000	100,000 in shares of common stock of \$100 per value

(c) "A" ordinary shares

After 17th February, 1984 the "A" ordinary shares of \$0.10 each of ISC will rank pari passu with the ordinary shares in the capital of ISC and will therefore be redeemable as ordinary shares. Share certificates for "A" ordinary shares will remain valid after 17th February, 1984 but will be exchanged, without charge, for certificates referring to ordinary shares upon application to ISC's Registrars by holders of those shares. All certificates issued after 17th February, 1984 in respect of transfers of former "A" ordinary shares will refer to ordinary shares.

(d) SUBSIDIARIES

ISC has the following subsidiaries, all of which are wholly owned:

Date of incorporation	Country or state of incorporation	Issued capital	Business
14th August, 1979	England	\$4,681,250	Marketing and component sales
27th August, 1982	Delaware, USA	\$437,617.10	Holding company
1st January, 1971	Delaware, USA	\$422,932.40	Manufacturing
14th July, 1976	Delaware, USA	\$1,500	Export marketing
8th November, 1982	Delaware, USA	\$4,000	Export marketing

Marquardt has one subsidiary, Marquardt International Sales Company, which was incorporated in the state of Delaware, USA, on 14th January, 1983. It has an authorised share capital of \$100,000 divided into 1,000 shares of common stock of \$100 each of which 25 such shares have been issued for cash, payment for which remains outstanding.

(e) DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS

(i) The Directors of ISC had, or will have, ignoring "A" ordinary shares for which Mr. Hartley and Mr. Woodgriff, who intend to apply for such shares, may successfully apply under this Offer for Sale, the following beneficial interests in the share capital of ISC, all of which are interests in ordinary shares of ISC:

Before	After scrip issue and Offer for Sale
14,931,473	21,200,944
\$22,000	1,440,000
ml	ml
100,020	200,040
7,500	13,000
680,000	800,000
300,000	600,000

Before the scrip issue Mr. Guerin had a non-beneficial interest in 900,000 ordinary shares. After the scrip issue and the Offer for Sale, Mr. Guerin will have a non-beneficial interest in 1,400,000 ordinary shares, being shares in the share capital of any subsidiary of ISC or Marquardt or its subsidiary.

(ii) No Director of ISC has or will, on completion of this Offer for Sale, have any interest, beneficial or otherwise, in the share capital of any subsidiary of ISC or Marquardt or its subsidiary.

(iii) Mr C H Dreyer and Mr J H Guerin are partners in ISC Associates which is the landlord under the leases of the premises at 3000 Hempstead Road, Lancaster, PA, USA, and of the hangar at Lancaster Airport, particulars of which are set out in paragraph 6 below. Save as disclosed herein, no Director of ISC has—

(iv) any beneficial interest, direct or indirect, in any assets which, since 31st March, 1983 have been or are proposed to be acquired, disposed of by or leased to ISC or any of its subsidiaries or Marquardt or its subsidiary.

(v) a material interest in any subleasing contract or arrangement entered into by ISC or any of its subsidiaries or Marquardt or its subsidiary which is or will be significant in relation to the business of ISC, its subsidiaries and Marquardt and its subsidiary taken as a whole.

(vi) The following are details of the service agreements between Directors of ISC and ISC or its subsidiaries together with the current annual remuneration payable thereunder:

	Commerce- ment date	Expiry date	Employing company	Nature of employment	Annual remuneration
J. H. Guerin	11.11.82	31.10.87	Electronics	Chairman and Chief Executive	\$162,000
C. H. Dreyer	11.11.82	31.10.85	Electronics	Vice-President and Secretary	\$117,000
J. G. Hartley	11.11.82	31.10.85	ISCL	Managing Director	\$56,000
S. M. Pindell Jr	11.11.82	31.10.85	Tech	President	\$140,000
J. H. Zilligan	11.11.82	31.10.85	Electronics	Chief Financial Officer	\$127,000

Save as mentioned above, no Director of ISC has a service contract with ISC or any subsidiary thereof, or Marquardt or its subsidiary.











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## ST PAULS EMPLOYMENT AGENCY

**BIRTHS, MARRIAGES, DEATHS**  
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(minimum 3 lines)

Announcements authenticated by the name and permanent address of the sender may be sent to:  
THE EDITOR  
200 Gray's Inn Road  
London WC1X 8EE

or telephone (01) 837 3311  
or 81-827 2333

Announcements received by telephone between 9.00am and 6.30pm, Monday to Friday, on Saturday between 9.00am and 1.00pm, and on Sunday between 1.00pm and 2.00pm, are free of charge.

**FORTHCOMING MARRIAGES, WEDDINGS, etc.** on Copy and Social Page 23 & Box 81-837 7714

Court and Social Page announcements can not be accepted by telephone.

THE LORD have called these to other life. We are sorry to inform them that all in darkness out of the prison house. Death 62 67.

BIRTHS

CONSTANCE - On August 6th at the Horne Hospital, London, Lucy Anne Edwards and Christopher A. John were married.

MILLES GASKELL - On 4th August, in Cirencester, Gloucestershire, Charles and James, a son.

RAWLINSON - On 2nd August, at Llandaff, Cardiff, Michael and Graham, a daughter.

RHEA - On July 26 to Barbara Jane Hollington and Michael - a daughter.

RAVEN - On 27th July to Michael and Barbara.

**MARRIAGES**

DUDLEY - On 4th August, Ruth and Peter, Rosedene, widow of John, and their daughter, Jennifer.

FARRELL - On 2nd August, at the Convent of the Holy Names, London, Michael and Graham, a daughter.

FRASER - On July 26 to Barbara Jane Hollington and Michael - a daughter.

RAVEN - On 27th July to Michael and Barbara.

**DEATHS**

BROADLEY - On 4th August, Bert and Dorothy, Rosedene, widow of John, and their daughter, Jennifer.

COOPER - On 4th August, in Hospital, aged 82, of Croydon.

DAVIES - On 4th August, in Hospital, aged 82, of Croydon.

DEAN - On 4th August, in Hospital, aged 82, of Croydon.

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# Today's television and radio programmes

Edited by Peter Dear

## BBC 1

6.00 *Geefax AM*. News headlines, weather, traffic and sports details. Also available to viewers with television sets without the teletext facility.

6.30 *Breakfast Time*. Introduced by Frank Bough and Sue Cook. News from Debbie Rix at 6.30, 7.00, 7.30, 8.00 and 8.30 with heading news, quarter-hour regional news, traffic and weather at 6.45, 7.15, 7.45 and 8.15; keep fit and family finance between 6.45 and 7.00; tonight's television previewed between 7.16 and 7.30; review of the papers at 7.32 and 8.22; horoscopes between 8.30 and 8.45, and food and cooking hints between 8.45 and 9.00. The guest is composer Henry Mancini.

9.00 *Hey Look ... That's Me!* Chris Harris is at the annual meeting of the Bournemouth Cycle Speedway Club, which trampolining and meets children from St Thomas' School for the Deaf. Basingstoke 9.25 *Jackanory*. Rula Lenska reads *The Winged Hussar*, a Polish folk tale (r) 9.40 *The Wombles* (r) 9.45 *Why Don't You?* Ideas from Belfast for young people with time on their hands (r) 10.10 *Closedown*.

1.00 *News After Noon* with Richard Whitmore and Vivien Creager. The weather details come from Michael Fish 1.27. Regional news London and Scotland. *Local Reports*, followed by news headlines with subtitles (1.30) *Check-a-Block*. *A See-Saw* programme for the very young (r) 1.45. *Cartoon: Barney Bear in The Prospecting Bear* 1.55 *Cusden on Avon*. Richard Cusden travels from Pawsey's Ambersbury.

2.25 *The First World Athletic Championships* from Helsinki, introduced by Desmond Lynam. Coverage of three finals - the Men's triple jump (at 4.00); the Women's 100 metres (5.50); and the Men's 100 metres (6.00) plus the heats in other competitions (continued on this channel at 6.50 with highlights of the day's events following the 9.00 news).

6.10 *News with Moira Stuart* 6.30 *South East at Six*

6.50 *The First World Athletics Championships* from Helsinki. Introduced by Desmond Lynam.

7.20 *Matt Houston: A Novel Way* Di. A renowned authoress is murdered at a crime-writer's conference. The millionaire detective discovers she had many enemies, several of whom were staying at the same hotel the night she died.

8.10 *Panorama: The Open Scandal*. A repeat showing of Tom Mangold's investigations into the drug that was falsely claimed to be a cure for arthritis. His investigations reveal that details of the adverse side effects that emerged from using the drug were suppressed by the manufacturers (r).

9.00 *News with John Humphrys* followed by *The First World Athletic Championships*. Highlights of the day's three finals.

9.40 *Film: The Ballad of Cable Hogue* (1970) starring Jason Robards and Stella Stevens. Comedy western about a prospector who is left to die in the desert by his crooked partners. In his struggle to survive he discovers a water hole which he develops and makes himself a rich man - but with revenge still in his soul. Directed by Sam Peckinpah.

11.40 *News headlines and weather*.

## TV-am

6.25 *Good Morning Britain* presented by Anne Diamond and Martin Watwright. News from Lynda Berry at 6.30, 7.00, 7.30, 8.00, 8.30 and 8.50; sport at 6.45 and 7.45; highlights of Diana Dors's diet at 7.10; pop video at 7.35; star romance at 8.05; exercises with Mad Lizzie 8.30, and from 9.00 *Roland Rat* in Edinburgh.

1.00 *JTV/LONDON*

9.25 *Thames news headlines* followed by *Sesame Street* in which the Muppets impart learning without seeming to. 10.25 *Friends of My Friends*. A day in the life of two Pakistani children from the Hindu-Kush region. 10.50 *Little House on the Prairie*. Part two of *There's No Place Home* (r).

12.00 *We'll Tell You a Story*. Christopher Lippincott with a story, a song and a rhyme for the very young (r). 12.30 *The Great Adventure*. The advantages of bugs investigated by Brian Truman.

1.00 *News with Carol Barnes*. 1.20 *Thames news from Robin Houston*. 1.30 *The Chisholms*. Western pioneer saga starring Rosemary Harris and Ben Murphy.

2.30 *The World Athletics Championships* from the Olympic Stadium, Helsinki, introduced by Dickie Davies. Coverage of the semi-final heats in the 400 metres hurdles and the start of the women's seven event. Heptathlon in which Britain's Judy Livermore is competing.

4.00 *They Tell You a Story*, (r) 4.15 *Cartoon: Vikings in the Life*. 4.20 *A Musical World*. Children from the Look High School, Staffordshire, perform a musical exploration of the Staffordshire Moorlands.

4.50 *The World Athletics*. Coverage of the triple jump final and the finals of the men's and women's 100 metres.

6.15 *News 6.30* *Thames news*. 7.00 *The Krypton Factor*. Heat seven and four more hopefuls compete for a place in the semi-final of the brain and brawn competition. Introduced by Gordon Burns.

7.30 *Coronation Street*. Bert Tisley has been found and wife Ivy sets off to collect him.

8.00 *The Starlight Ballroom*. A 1940s variety show in the guise of a musical play. With Alvin Stardust as the Big Band leader-host of a radio spectacular. Also starring Lynsey de Paul.

8.30 *World in Action: Colonel Rauff's Refuge*. A documentary that exposes Nazi SS Colonel Walter Rauff in his Santiago, Chile, hideout. (see *Choice*).

9.00 *Minder: Poetic Justice* - Arthur is selected for jury service. In his absence Terry is in charge of the Aladdin's Cave lock-up. Starring Dennis Waterman and George Cole (r).

10.00 *News*.

10.30 *Look Familiar*. Denis Norden reminisces about the show business stars of the Thirties and Forties with guests Bill Owen, Eartha Kitt and Larry Grayson.

11.00 *Film: The Abominable Dr Phibes* (1971) starring Vincent Price. Special feature about a disfigured musician who carries out a vendetta against the surgical team who he believes were responsible for the death of his wife. Directed by Robert Fuest.

12.40 *Night Thoughts* from the Rev Dr Kenneth Great.



Xie Fang and Cao Yindi in Two Stage Sisters: Channel 4. 10.30pm

## BBC 2

6.05 *Open University: Coal Power 6.30 Against the Public Interest* 6.55 *Complex Numbers*. 7.20 *Learning from the Future: 7.45 Britain: Granary for the Roman Empire*. *Closedown* at 8.10.

10.30 *Play School*. For the under fives, presented by Sarah Long and Don Spencer. The story is *Mr Toppidope's New Hat*, by Phyllis Pearce. *Closedown* at 10.55.

4.15 *Play School*. See above.

4.40 *Cartoon: Scooby and Scrappy Doo in The Sorcerer's Menace* (r).

5.00 *The Red Hand Gang*. Part four and the gang frighten the kidnappers by pretending to be ghosts (r).

5.35 *Topper: Vintages* (Fibres). American folk singer about a pair of ghosts who return to haunt their earthly home in the company of a disreputable dog.

6.00 *The Englishwoman and the Horse*. A documentary that illustrates the affection females have for their four-legged friends (r).

6.55 *Six Fifty*. Guests Omer Sharif and Patricia Hodge explain why they like to spend their summers in Sussex. Both are appearing in the Chichester Festival, with the added bonus of Mr Sharif having Goodwood racecourse on the doorstep.

7.00 *News headlines with subtitles*.

7.35 *A Moment to Talk*. The fifth in the series that broadens on conversationalists to agricultural workers from farms around Northleach, Gloucestershire.

7.50 *O.E.D. - Old Wives' Tales*. With Professor Noel Rauff as he scours the Cotswolds listening to tales grandmothers used to tell (r). (see *Choice*).

8.20 *The Paul Daniels Magic Show*. His guests are illusionist, Hans Moretti and comical magician, Johnny Paul (r).

9.00 *Call My Bluff*. Liza Goddard and Russell Harty assist Arthur Marshall with Frank Muir as his assistance of Sus Arnold and Nigel Hawthorne.

9.30 *One Man and His Dog*. The Irish host features Arthur, Mawhinney, Ronnie Kinrade and Denis Birchall (r).

10.10 *Motives*. Dr Anthony Clare in conversation with Petula Clark.

10.50 *Nightly News*. The latest world and domestic news plus an extended look at one of the main stories of the day.

11.40 *Open University: Halogenes and Noble Gases* 12.05 *Colour Television* (1) 12.30 *Maths Methods - Line Integrals*. Ends at approximately 1.00. *Closedown*.

● One of the most notorious of the war criminals still free has been flushed from South American woodwork by *World in Action*.

**COLONEL RAUFF'S REFUGE** (ITV 8.30pm) traces the career of the man who masterminded the murder of almost a quarter of a million men, women and children with his specially constructed mobile gas chambers. Walter Rauff has been living in the life of a well-to-do retired businessman in a select suburb of Santiago, the capital of Chile, since he was the subject of an abhorrent extradition request by the West German government 20 years ago. *World in Action*, with unpublished documents has been able to plot Rauff's flight from Milan where he was SS chief at the end of World War Two, to the Middle East and eventually to Chile where he lives under the unconcerned eye of

the military dictatorship. Rauff has been secretly filmed by *World in Action* and briefly interviewed, but for the four weeks the cameras were camped outside his home. Rauff emerged only twice. ● One of the more deserving cases in this season of repeats is *TALES* (BBC2 7.50pm) in which Professor Noel Rauff wanders the Cotswolds testing the truth behind old country sayings. Surprisingly, a fair number stand up to modern scientific examination but, predictably, most of them are proved to be nonsense. Either way, Professor Rauff's investigations make for a most enjoyable half-hour. ● Another welcome repeat is *John*

## CHOICE

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## CHANNEL 4

5.30 *Making the Most Of ...* Theresa Birch with the second of her series of programmes on pastimes that cost little or no money. Ashley Jackson continues his oil painting course while Evelyn Cook instructs in the art of flower pressing; Jim Maiden reveals the joys of allotment gardening; and Hunter Davies goes for a walk around a London park.

6.00 *News Briefing*. 6.10 *Farming Week* presented from Northern Ireland by John Johnson.

6.25 *Swing Forecast*.

6.30 *Today*, including 6.45 *Prayer for the Day*, 6.55 *7.55 Weather*, 7.00, 8.00 *News*, 7.25, 8.25 *Sport*, 8.30, 8.30 *News*, 8.45 *7.45 Weather*.

6.35 *The Week on 4*. A review of the week's programmes by David Hutchison.

6.43 *Doctors* by Peter Burman. 6.45 *Top Gear* in five parts by Edward Phillips. Set in the year of the Battle of Trafalgar, the tale concerns the 12-year-old Greenwich twins who live on a ship and have to find a near-death soldier on a beach.

6.57 *Weather*, travel, 7.00 *News*, 7.05 *Swing Forecast*.

6.59 *News*, 7.00 *Small Country Living*: magazine for people in the countryside.

10.30 *Monday Story*: My Uncle Lemire. *Be My Guest* is Cyril Shaps.

10.45 *Daily Service?* News, travel, Down Your Way visits Peterborough, Ian Johnson's visit to the Cathedral; the town's latest news; the agency and the Nene Valley Steam Railway.

11.45 *Poetry Please*. Listeners' requests presented by Charles Moore.

7.00 *Channel Four News* with Peter Sissons, Trevor Macdonald and Sarah Hogg. Headlines at 7.30 with city news at 7.35 followed by Foreign Perspective.

7.50 *Comments*. With his view on a matter of topical importance is Chota Kapoor, editor-in-chief of the Asian Post.

8.00 *The World Athletic Championships*. Highlights of the world's events in Helsinki which included the finals of the triple jump and the men's and women's 100 metres.

8.30 *City Centre Cycling* from Glasgow. The second leg of the Kellogg's Cycling Championships, decided over five races. Introduced by Steve Rider with commentator Phil Liggett.

9.30 *Ear to the Ground*. Current affairs for young adults. Tonight's items include a visit to the Young Socialists' Summer Camp; problems met by disabled students; computer art; and singer, Tracey.

10.00 *News*, 10.15 *Weather*, 10.30 *Swing Forecast*.

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3.00 *Madam Main Course*, by Peter Sissons.

## Radio 4

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## Minister quits anti-hunt body

By Hugh Clayton

Environment Correspondent

A junior minister has resigned as patron of the Conservative Anti-Hunt Council because it opposes government policy. Mr Alan Clark, an Under-Secretary of State at the Department of Employment, agreed last month to become patron of the council which wants hunting to be banned.

Mr Clark's role in the council was disclosed in *The Times* last week after the Government had said in one of its statements about hunting that it did not intend to legislate against it.

Mr Clark decided that his role as a minister was incompatible with patronage of a pressure group opposed to its policy. But he remains opposed to hunting and does not allow it on his land. Although he shot grouse as a young man, he now believes that man has no right to use his intelligence to destroy other life forms for pleasure.

The council, which is open only to members of the Conservative Party, wants to create inside the party a nucleus of opposition to hunting. It has decided not to oppose shooting and fishing.

Mr Richard Course, executive director of the League Against Cruel Sports, said that his organization might give the council money.

The affair of the hunting "mole" has provoked lively exchange between supporters and opponents of hunting. Mr Ian Coghill, conservation officer of the British Field Sports Society, denied that he had unwittingly offered Mr Michael Huskisson, a member of the Hunt Saboteur's Association a job as whipper-in with the Three Counties pack of min-khounds.

Mr Huskisson's efforts to secure evidence of cruelty by posing as an enthusiastic hunt supporter for a year were disclosed by *The Times* last week. He claimed that Mr Coghill, a joint master of the Three Counties pack, had offered him the post at a hunt party.

Mr Coghill said: "He would not have made a good whipper-in; he was too morbid".

Mr Huskisson in turn rejected a claim from Mr Coghill that he tried to persuade hunts to stage incidents, including the "bleeding" of a child by the smearing on its face of blood from an animal killed by hounds.



## Cameras roll for a Civil War replay

Members of the Sealed Knot, a society which re-enacts battles from the Civil War, go into action at Rockingham Castle near Corby in Northamptonshire for a new £2m BBC historical drama series *By the Sword Divided*.

Se against the turbulent background of the war between the Cavaliers and the Roundheads from 1640 to 1647, it tells the story of the Royalist Lacey family of Arnescombe Castle which is

Photographs Brian Harris

given when the elder daughter marries into a family which supports Cromwell.

The 10-part series, which will be screened in the autumn, stars Julian Glover, Sharon Maguire, Timothy Bentinck and Rosalie Crutchley.

John Hawkesworth who is making the series says he has been seeking the opportunity to make a Civil War drama for 14 years.

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